http://researchcommons.waikato.ac.nz/

Research Commons at the University of Waikato

Copyright Statement:

The digital copy of this thesis is protected by the Copyright Act 1994 (New Zealand).

The thesis may be consulted by you, provided you comply with the provisions of the Act and the following conditions of use:

- Any use you make of these documents or images must be for research or private study purposes only, and you may not make them available to any other person.
- Authors control the copyright of their thesis. You will recognise the author’s right to be identified as the author of the thesis, and due acknowledgement will be made to the author where appropriate.
- You will obtain the author’s permission before publishing any material from the thesis.
SOCIAL POLICY APPROACHES TO HURRICANE KATRINA AND THE CHRISTCHURCH EARTHQUAKES

A thesis
submitted in partial fulfilment
of the requirement for the degree
of
Masters of Social Sciences
at
The University of Waikato
by
Faisal Ali Al-Shamri

The University of Waikato
2012
ABSTRACT

Using secondary sources, the purpose of this thesis is to compare the two disasters – Hurricane Katrina in the United States and the two Christchurch Earthquakes in New Zealand and show how the countries managed the aftermath of each of the disasters. The thesis explores Esping-Andersen’s concept of welfare typologies and shows where New Zealand and the United States fit into his framework. The thesis also reviewed some critiques to Esping-Andersen’s typology. It details the events of the disasters and how the respective governments responded given their social policy approaches.
ACKNOWLEDGMENTS

I owe my thanks for my friends and family who supported me in the process of writing this thesis especially my supervisor Dr. Jo Barnes who helped and guided me throughout my thesis.

I also give my special thanks to my parents, brothers and sister for their practical and financial help and supporting me all the way till the completion of this thesis.

Finally, I once again thank my Supervisor Dr. Jo. Barnes and Ms Sue Chaytor for allowing me to use their photographs of the Christchurch that were essential for this thesis.
CONTENTS

ABSTRACT ................................................................................................................................. i
ACKNOWLEDGMENT ................................................................................................................. ii
CONTENTS.................................................................................................................................. iii
LIST OF PHOTOS, TABLES, MAPS AND FIGURES ............................................................... v
ACRONYMS ................................................................................................................................. vii

CHAPTER ONE: INTRODUCTION ............................................................................................... 1-2

CHAPTER TWO: TWO DISASTERS ............................................................................................. 3-14
Hurricane Katrina ......................................................................................................................... 3
   Emergency Centers in Louisiana ............................................................................................. 5
   Problems with Evacuation ....................................................................................................... 7
   FEMA Preparedness ............................................................................................................... 9
The Christchurch Earthquakes ...................................................................................................... 11
   Response and Emergency Management ............................................................................. 11
   Welfare Response ............................................................................................................... 13
   Casualties and Damaged buildings ....................................................................................... 13

CHAPTER THREE: SOCIAL POLICY IN THE UNITED STATES AND NEW ZEALAND ............. 15-21
Esping-Andersen – Three Worlds of Capitalism ......................................................................... 15
Reactions and Critiques towards Esping-Andersen’s typologies ............................................... 18
   Peter Baldwin’s – State and Citizenship in the Age of Globalization 19
Bonoli and Ferrera – Classifying Welfare States and the “Southern” Model of Welfare .............. 19
Castles and Mitchell – Worlds of Welfare ............................................................................... 20

CHAPTER FOUR: WELFARE IN THE USA AND NEW ZEALAND ............................................. 22-32
The United States ...................................................................................................................... 22
New Zealand ............................................................................................................................ 25
The Consequences of the Move to a Market Focused Economy ............................................. 31
CHAPTER FIVE: THE RECOVERY PROCESS – NEW ORLEANS ................................................................. 33-35

New Orleans: United States ............................................................................................................. 33
    Housing .......................................................................................................................................... 33
    Housing Conditions before Katrina .......................................................................................... 35
    Housing after Katrina .................................................................................................................. 37
    Health ........................................................................................................................................... 42

CHAPTER SIX: THE RECOVERY PROCESS- CHRISTCHURCH ......................................................... 46-63

    Housing .......................................................................................................................................... 46
        Red Zone Residents .................................................................................................................. 51
        Temporary Housing .................................................................................................................. 52
    Health ........................................................................................................................................... 55
        Psychological Effects after a quake ......................................................................................... 55
        The Acute .................................................................................................................................. 55
        Medium Term effects ............................................................................................................... 55
        Long Term effects .................................................................................................................... 56
    Business Recovery ....................................................................................................................... 57
        The Marmite Case ..................................................................................................................... 59
        Christchurch City Central Recovery Plan ............................................................................. 59
    Discontent .................................................................................................................................... 61

CHAPTER SEVEN: DISCUSSION
AND CONCLUSION ..................................................................................................................... 64-66

References ....................................................................................................................................... 67-83
LIST OF PHOTOS, TABLES, MAPS AND FIGURES

PHOTOS.

Photo 1  An Abandoned House in the Lower 9th Ward, New Orleans. 37

Photo 2  Photo depicting the heavy damage to houses caused by aftermath Katrina in the Lower 9th Ward, New Orleans 38

Photo 3  Non-structural damage caused by the 2011 Christchurch earthquake 47

Photo 4  An abandoned street beside Avon River in Christchurch 2012. As seen in the background, a truck driving through towards a construction site to load up demolition debris 47

Photo 5  A house in Kaiapoi moved on its foundation in both the September and February earthquakes a total of 1.8m 48

TABLES

Table 1  A Portrait of the Lower Ninth Ward in New Orleans before Hurricane Katrina 37

MAPS

Map 1  Hardest Hit Area 35

Map 2  Map of Greater Christchurch released on the 23rd June 2011. The map shows how Greater Christchurch is divided into different coloured residential zones 48

Map 3  Map of the different zones in Christchurch as of the 29th June 2012. 49
Map 4  Map shows the red and white zone areas in Port Hills as of 29th June 2012  50

Map 5  Map depicting the different residential technical categories in Christchurch as of March 2012  51

FIGURES

Figure 1  The net impact on workplaces that have been affected by earthquakes by industry.  58
## ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACC</td>
<td>Accident Compensation</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CCC</td>
<td>Christchurch City Council</td>
</tr>
<tr>
<td>CCDU</td>
<td>Christchurch Central Development Unit</td>
</tr>
<tr>
<td>CCRP</td>
<td>Christchurch City Recovery Plan</td>
</tr>
<tr>
<td>CDC</td>
<td>Canterbury Development Corporation</td>
</tr>
<tr>
<td>CDEM</td>
<td>Civil Defence Emergency Management</td>
</tr>
<tr>
<td>CECC</td>
<td>Canterbury Employers Chamber of Commerce</td>
</tr>
<tr>
<td>CERA</td>
<td>Canterbury Earthquake Recovery Authority</td>
</tr>
<tr>
<td>CETAS</td>
<td>Canterbury Earthquake Temporary Accommodation Service</td>
</tr>
<tr>
<td>CETAS</td>
<td>The Canterbury Earthquake Temporary Accommodation Services</td>
</tr>
<tr>
<td>CTV</td>
<td>Canterbury Television</td>
</tr>
<tr>
<td>DBS</td>
<td>Department of Housing</td>
</tr>
<tr>
<td>DHS</td>
<td>Department of Homeland Security</td>
</tr>
<tr>
<td>DPB</td>
<td>Domestic Purpose Benefit</td>
</tr>
<tr>
<td>EQC</td>
<td>Earthquake Commission</td>
</tr>
<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
</tr>
<tr>
<td>FHA</td>
<td>Federal Housing Assistance</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HUD</td>
<td>United States Department of Housing and Urban Development</td>
</tr>
<tr>
<td>IHP</td>
<td>Individual and Household Program</td>
</tr>
<tr>
<td>KDHP</td>
<td>Katrina Disaster Housing Assistance Program</td>
</tr>
<tr>
<td>LSU</td>
<td>Louisiana State University</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Name</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>MCLNO</td>
<td>Medical Centre of Louisiana at New Orleans</td>
</tr>
<tr>
<td>MSD</td>
<td>Ministry of Social Development</td>
</tr>
<tr>
<td>ODP</td>
<td>Office of Domestic Preparedness</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>TC</td>
<td>Technical Categories</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

On the 29th of August 2005, Hurricane Katrina made landfall on the Gulf Coast of the United States and destroyed communities across more than 95,000 square miles of Mississippi, Alabama and Louisiana. Almost every levee in the city of New Orleans was breached, the lower parts of the city were badly flooded and around 1836 residents of the region were killed by the hurricane and its aftermath.

Several weeks after the hurricane, social conditions in New Orleans worsened for those mostly poor black residents who had been stranded during the hurricane. Thousands of survivors were left in miserable conditions deprived of basic needs and provisions like food, water and medical care (Spencer, 2010). Seven years after this disaster, the issues for these people continue.

The original intention of this thesis was to compare two disasters – Hurricane Katrina and the Christchurch Earthquake. Although the earthquake which struck Christchurch on 4th September 2010 was by no means comparable in magnitude or impact to Hurricane Katrina, it was nevertheless a major disaster in the eyes of New Zealanders. As this thesis was nearly completed, a second major earthquake hit the city of Christchurch. On the 22nd of February 2011, the city was hit by a 6.1 magnitude earthquake that struck at a shallow depth during lunchtime, when Christchurch was at its busiest. The quake caused wide spread damage and multiple fatalities.

Although Hurricane Katrina was much more devastating than the two earthquakes, on a relative scale; both disasters had overwhelming effects on the populations of the two cities. However, while the earthquakes affected all socio-economic classes, Hurricane Katrina was particularly damaging for the poorest sections of New Orleans.

Historically New Zealand’s social policy had been underpinned by Keynesian economic policy and was upheld by succeeding governments until 1984 when there was a radical move away from social democratic principles towards “a dismantling of the states overarching institutional involvement in health,
education and welfare” (Duncan, 2004, p. 180). In contrast, the prevailing ideology of liberalism, individualism and personal responsibility have played a central role in shaping social policy in the United States.

Using Esping-Andersen’s concept of different types of welfare and Hurricane Katrina and the Christchurch earthquakes as case studies, the aim of this thesis is to explore how disasters are managed in two different countries with apparently different social policy approaches.

Chapter 2 focuses on the events during and after Hurricane Katrina and the Christchurch earthquakes. Chapter 3 discusses Esping-Andersen’s regimes, social policy in New Zealand and the United States. Chapter 3 tells the story of the actions the governments undertook to cope with the disasters. Chapter 4 analyses and compares the social policies of the United States and New Zealand and shows how their policy approaches impacted on the responses to the respective disasters.
CHAPTER TWO

TWO DISASTERS

This chapter focuses on how the two disasters unfolded and the responses of the respective governments to them. The chapter will also include a sub-topic on FEMA’s preparedness before and after Hurricane Katrina.

Hurricane Katrina

Prior to Katrina, writers had highlighted the possible dangers that awaited the city of New Orleans in the case of a hurricane. It was argued that a natural disaster could drown the whole city. “A major hurricane could swamp New Orleans under more than 20 feet of water, killing thousands” (Fischetti, 2001, n.p.). Fischetti (2001) went on to say:

The city lies below sea level, in a bowl bordered by levees that fend off Lake Pontchartrain to the north and the Mississippi River to the south and west. And because of a damning confluence of factors, the city is sinking further, putting it at increasing flood risk after even minor storms (n.p).

Mooney (2005) discusses the impact that a slow category 4 or 5 hurricane could have on New Orleans:

It's possible that only those crows’ nests would remain above the water level. Such a storm, plowing over the lake, could generate a 20-foot surge that would easily overwhelm the levees of New Orleans, which only protect against a hybrid Category 2 or Category 3 storm (with winds up to about 110 miles per hour and a storm surge up to 12 feet) (Mooney, 2005, n.p).

These predictions which came before Hurricane Katrina were an indication that the effects of a powerful hurricane could lead many non-evacuees to die, many more stranded and successful evacuees with nowhere to return to.

By the 27th of August 2005, Katrina had crossed the southern regions of Florida and strengthened to a Category 3 storm and President Bush announced a state of
emergency in Louisiana, Alabama and Mississippi. In addition, the statement proclaimed that the President’s actions gave full right to the Department of Homeland Security and the Federal Emergency Management Agency (FEMA) to manage all disaster relief efforts (The White House, 2005). The statement also asserted that FEMA was authorized to identify, mobilize and provide, at its discretion, equipment and resources necessary to alleviate the impacts of the emergency and that 75 percent funding would be provided by the Federal government for protective measures and the removal of debris.

With the hurricane approaching, the Director of the National Hurricane Center, Max Mayfield, highlighted the strength and devastation Katrina could cause. Mayfield claimed that Katrina was far more powerful than Hurricane Andrew, the previous Category 5 hurricane which hit Florida in 1992 killing 43 people. Mayfield (2005) stated that “It's capable of causing catastrophic damage; even well-built structures will have tremendous damage” (n.p). On the 28th of August 2005, Robert Ricks of the National Weather Service field office issued an urgent weather message that depicted how devastating Katrina could be. He described Hurricane Katrina as rivalling the intensity of the 1969 Hurricane Camille. He added:

Most of the area will be uninhabitable for weeks, perhaps longer. At least one half of the well constructed homes will have roof and wall failure. All gabled roofs will fail, leaving those homes severely damaged or destroyed” (n.p.).

The report also emphasized that large amounts of debris from felled trees and telephone poles, wrecked cars, and collapsed buildings would be created and that there would be a lack of clean water.

The President contacted the Mayor of New Orleans to make a public appeal to heed evacuation orders and warnings. Mayor Ray Nagin issued a mandatory order to evacuate the city on national television stating that “We are facing a storm that most of us have long feared” (2005, p. 1).

There were major issues that prevented the full evacuation of the city’s residents. Despite the warnings, many people refused to evacuate the city claiming that their homes provided sufficient protection. Other reasons for the residents hindering a
Katrina was a Category 3 storm with strong winds and massive rainfalls and 125 mph wind speed (205 km/h) when it made landfall near Buras-Triumph, Louisiana on August 29, 2005. The heavy rainfall caused several lakes to rise, resulting in significant flooding. With the intense gales, several bridges were destroyed, including the Interstate 10 Twin Span Bridge that connects the city of Slidell to New Orleans (Knabb, Rhome & Brown, 2005). The hurricane caused a power loss for over 900,000 people in Louisiana and many more in nearby states (U.S. Department of Energy, 2005). In Saint Bernard Parish, levees were breached and 81 percent of the houses in the Parish were destroyed. In Saint Tammany Parish, it was estimated that about 70 percent of houses were damaged. In Plaquemines Parish this figure was closer to 80 percent. (U.S. Department of Housing, 2006).

The city of New Orleans suffered the most as Katrina passed. There were major power failures and 53 levees, including the Street Canal levee, the London Avenue Canal and the Industrial Canal were breached leaving 80 percent of the city under water. (Murphy, 2005).

Many people were stranded in their homes. Unable to leave, survivors were trapped on rooftops waiting to be rescued. Some people made their way to the roof by using hatches and sledge hammers which they had been urged to keep in their attics in an emergency case but then became trapped in the attics and unable to escape as their houses succumbed to the rising flood. Around 1,100 people died in Louisiana as a result of the hurricane (U.S. House of Representatives, 2006).

**Emergency Centres in Louisiana**

As part of the evacuation plan, a Sheltering Task Force led by the Department of Social Services and the Department of Health and Hospitals helped set up shelter areas throughout Louisiana. Major shelters were established along the evacuation
routes for both the general population and people with special needs. In the Superdome, the National Guard supplied 9,792 ready-to-eat meals and 13,440 litres of drinking water (U.S. House of Representatives, 2006). In addition, The New Orleans Regional Transit Authority (RTA) began running transport services around the city to help people get to the Superdome. The RTA also had 10 paratransit vehicles which ran from the Baton Rouge area to the Superdome for citizens with special needs. Jefferson Parish also established shelter areas for people who could not evacuate. All evacuation services ceased at 7 p.m. on the 28th of August 2005 due to worsened weather conditions (U.S. House of Representatives, 2006).

At 8am on the 28th of August 2005, the New Orleans superdome was designated as a mass shelter of ‘last resort’ (Bytheway, 2007). The superdome became a refuge for over twenty thousand disaster victims, while rescue teams worked continuously to accommodate the rising numbers (Landreneau, 2005). When Hurricane Katrina passed over New Orleans, it caused severe damages to electricity boxes and poles in the area causing a power loss to the City. In addition, the strong winds caused by the hurricane peeled part of the waterproof structure of the superdome allowing water to flow in to the building. Shortly after, conditions in the superdome began to deteriorate (U.S. House of Representatives, 2006). The situation led to the increasing urgency to evacuate the Superdome itself. On the 1st of September, Kathleen Blanco, Governor of Louisanna, reported that the number of refugees had reached 25,000. By the evening the number had increased to around 30,000 as people desperately sought transport (Haygood & Tayson, 2005). 500 buses were provided by FEMA during the evacuation process and evacuees were relocated across the state line to the Houston Astrodome (Frank, 2005). The process of evacuating was very slow as buses stopped for survivors seeking help from the highway, and as they reached the Superdome, they were already filled with passengers.

On the 31st of August, 2005, Blanco ordered a mandatory evacuation of all people remaining in New Orleans. 6,500 National Guard troops arrived in the city, and on September 2nd, Blanco requested a total of 40,000 troops to assist with the evacuation and security in Louisiana. By September 3rd, 42,000 evacuees were
transported out of the city. Rescue operations began to focus on people stranded in hotels, hospitals and private homes (Penuel, Statler & Golsen, 2005).

The Convention Center also became an emergency refuge for thousands of people fleeing their homes. The Center however, was not designated as a shelter and its official purpose was to serve as a bus stop to assist in the evacuation of the city. As the disaster progressed, police enforcement went door to door, encouraging people to leave their homes and gather at the center.

During the onset of the disaster around 1000 people were delivered to the Center, where they awaited transport which never arrived (Haygood and Tayson, 2005). Given the scale of the disaster, the Convention Center was unsuitable due to its lack of security, no weapon screening and no food or water (Penuel, Statler and Golsen, 2011, p. 323). Despite this fact, the Center was broken into on the 29th of August by victims who desperately sought refuge from the flood waters. The National Guard estimated around 20,000 evacuees moved into the Convention Centre (Borger, 2005).

Problems with evacuation

The delivery of aid was deemed inadequate by local officials, victims and the media (Wombell, 2009, p. 15).

On Tuesday the 30th of August, Mayor Ray Nagin suggested that the city had authorized the location, despite several officials being unaware that people had been sheltering there (Penuel, Statler and Golsen, 2011, p. 323). In Nagin’s statement to officials “the swelling crowd at the Superdome and the number of people needing shelter required us to open the Convention Centre as a refuge” (Select Bipartisan Committee, 2006, p. 118). Mayor Nagin failed to inform FEMA, the state Emergency Operations Center, or the National Guard that he had opened the Convention Center to the public (Wombell, 2009, p. 66). According to Wombell (2009) “although it served as a dry place of refuge, the people who congregated there were left on their own for a number of days” (p. 66). Being situated on one of the highest points in the city meant that the Convention Center remained above flood waters. However, the situation grew worse over the next four days with reports of looting, food and water shortages and “horrific scenes of
murder and rape… where tens and thousands of people took shelter” (Wombell, 2009, p. 15).

According to Gilmore (2005), the only food the evacuees received in the three days following the storm came from looters who broke into stores in the neighbourhood (p. 1). By Friday, nearly 20,000 people were stranded at the Convention Center awaiting rescue (Gilmore, 2005, p. 1). Officials claimed that they did not know about the conditions in the Convention Centre until August the 31st. According to FEMA chief Michael Brown,

We learned about that (Thursday), so I have directed that we have all available resources to get that convention centre to make sure that they have the food and water and medical care that they need (Brown, 2005, p. 1).

The relief process failed the majority of victims sheltering at the Convention Center. This assumption is based on the evident lack of communication and organization by FEMA relief workers. FEMA was offered help from the American Bus association and many other organizations, in order to carry evacuees from the Superdome and the Convention Centre, but no response came from FEMA as FEMA wanted to act individually (Sobel and Leeson, 2006).

It was argued that the effort to evacuate would be hastened if school buses were used during the process. According to the Select Bipartisan Committee Report (2005), the state found that one hundred school buses had not been used (p. 118). One of the main problems facing transportation was the fact that most bus drivers were unavailable. This is partly due to the fact that the majority was unwilling or otherwise unable to help with the evacuation. In addition, bus drivers were concerned about limiting the hours of service between rests.

On the other hand, reports state that the New Orleans Police Department dispatched officers on Wednesday following the disaster, and delivered water to the Convention Center on several occasions, however, it is unclear as to whether or not police had passed the information on to the city or state emergency operation centres at this time. This indicates that response to the needs of those affected was slow in coming and poorly organized. Several days later, new shelters were opened to accommodate the growing numbers of flood victims. The
Louis Armstrong International Airport was reopened in order to allow flights to carry evacuees out of the city.

According to Penuel et al., “all problems were largely overstated by the media who questioned the availability of sufficient food and water supplies” (Penuel, Statler and Golson, 2011, p. 323). Public reports of civil disturbance (of which a large percentage were found to have been false) contributed to the need for an evacuation from the Superdome (Thevenot and Russell, 2005, p. 1). Additionally, news reports fuelled speculation regarding the official death count.

In the aftermath of Katrina, it was revealed that far fewer had actually died in the superdome, and most of the fatalities were classified as due to natural causes” (Penuel et al., 2011,p. 323).

Griffin (2008) criticizes the disaster response, stating that “although Governor Blanco asked FEMA for aid … FEMA failed to provide the necessary support” (p. 91).

**FEMA Preparedness**

FEMA is responsible for responding to any kind of disaster in the United States. It was established in 1979 as an official governmental agency after combining various disaster response committees.

The primary mission of the Federal Emergency Management Agency is to reduce the loss of life and property and protect the Nation from all hazards, including natural disasters, acts of terrorism, and other man-made disasters, by leading and supporting the Nation in a risk-based, comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation (Barnes, 2008).

One of the main reasons for establishing FEMA in 1979 was to respond to all kinds of disasters and link preparedness, response and mitigation within one organization (Department of Homeland Security, 2009). In 2002, President George W. Bush proposed that all terrorism preparedness functions be merged into FEMA’s Office of National Preparedness and be managed within the Emergency Preparedness and Response Directorate. Instead, Congress chose to split preparedness functions between the Office of Domestic preparedness (ODP) and the Emergency Preparedness and Response Directorate (EP&R) (U.S. House.
of representatives, 2006). The main goal was to place terrorism preparedness in one organization and disaster preparedness in another.

Hurricane Katrina caused more than 9,000 confirmed casualties and $96 billion in damage. “Katrina is the first disaster-- natural or man-made-- to have damage totals almost reach the $100 billion mark” (The White House, 2006, p. 7). The magnitude of the effects of Katrina resulted in the cyclone being branded as the deadliest and costliest natural disaster in American history. In the event of such tragedies, the Federal Emergency Management Agency (FEMA) is the main respondent to restore and reduce future tragedies. However, FEMA was heavily criticized for its lack of action, slow response rate, and disorganized resolution plans.

FEMA went through several transformations between years 2001 and 2005. The major transformation was the transfer of its responsibilities, personnel, resources and authorities to the Emergency Preparedness and Response Directorate, which is part of Homeland Security (Department of Homeland Security, 2009). After this transformation, the emergency management community complained that FEMA had been systematically dismantled, stripped of resources and authority and suffered from a lack of confidence because of the focus on terrorism by the Department of Homeland Security.

It was clear that the Department of Homeland Security (DHS) and the federal government were not prepared for the devastating effects of Hurricane Katrina and the emergency management professionals questioned whether the Department of Homeland Security (DHS) and state preparedness for catastrophic events had declined due to organizational changes which resulted in reduced effectiveness of the response team towards Hurricane Katrina.

Emergency management professionals highlighted the need of trained people, who have experience working together with their federal colleagues before a disaster strikes but because the Agency suffered cuts in the budget and staffing, many staff members were replaced by political appointments who did not have disaster management experience (Rood, 2005).
The Christchurch Earthquakes

On the 4th of September 2010, a 7.1 magnitude earthquake struck the Canterbury region of New Zealand. Two residents were seriously injured, one by a falling chimney and the second by flying glass. One person died of a heart attack suffered during the quake, although this was not directly linked to the earthquake. Mass fatalities were avoided partly due to New Zealand's strict building rules, and the fact that the quake occurred during the early hours of the morning when people were still asleep.

On Tuesday the 22nd February, 2011, the city was shaken by a second earthquake of 6.1 magnitude. Although this is not regarded as a particularly strong tremor, it was very shallow (5Km deep) which resulted in major structural damage and because it was a week day when many people were at work in the buildings, there were a number of fatalities and injuries with many people being trapped under the rubble of collapsed buildings.

Less than an hour after the quake took place, the media began coverage of the disaster with broadcasts being shown around the country and the world. Collapsed buildings and debris filled the streets of the Christchurch City Centre, with reports that hundreds of missing people had been injured or killed. An immediate rescue mission was put into place to rescue those trapped within the city’s collapsed buildings. In addition to the police, fire and ambulance services, the New Zealand army was deployed to help the rescue effort. Offers of specialist help from Australia, UK, USA, Japan, Taiwan, China and Singapore, were offered and accepted.

Response and Emergency Management

The earthquake caused major disruption and devastation within greater Christchurch. Communication was difficult due to severe damage to telephone and internet services.

Within hours of the quake, a full emergency management structure was in place. New Zealand’s Prime Minister John Key (2011) stated that
All civil defence procedures have now been activated; the bunker is in operation here in Wellington although it is only in limited contact with our people in Christchurch through both satellite and HF facilities (n.p).

Civil Defence established a command centre in the Christchurch Art Gallery to monitor the damage and give daily reports to the media.

On the day after the earthquake, Prime Minister John Key informed the Minister of Defence, John Carter, that he should declare a state of national emergency under the Civil Defence Management Act 2002 (TVNZ, 2011). It was the first time in New Zealand’s history that a state of national emergency had been declared as a result of a civil disaster. This declaration meant that the Ministry of Civil Defense and Emergency Management became the lead rescue agency and ensured the maximum possible level of co-ordination and co-operation between central and local resources and international assistance (TVNZ, 2011).

The response by the New Zealand Government was immediate and effective, with many departments and ministries involved. Prime Minister John Key stated that, “The government is going to do everything it can to support the recovery and rebuilding of Christchurch” (Brownlee, 2011, n.p.). The Prime Minister gave the Cabinet Minister Gerry Brownlee responsibility for the earthquake recovery role.

Rescue teams from around the world arrived in Christchurch to assist the rescue process. Coming from United Kingdom, United States, Japan, Taiwan, China and Singapore, the rescue teams were involved in rescuing people trapped in collapsed buildings, responding to fires and working with structural engineers, seismologists, geologists and demolition experts. (New Zealand Herald, 2011).

The New Zealand Defence Force also played a significant role with over 1400 Army personnel being involved in the relief and rescue missions. They provided assistance with transport, evacuation, supplies and equipment shipments and aided police with security (New Zealand Defence Force, 2011). One hundred and sixteen soldiers from the Singapore Army who were in Christchurch, for training services at the time of the earthquake, assisted by manning the cordons around the city (New Zealand Defence Force, 2011).
The Christchurch police force was supplemented by staff and resources from around New Zealand. In addition, about 300 police personnel from Australia came to help the local force with regular duties, bringing the total number of police officers to 1200 (News centre, 2011). The police were involved in providing security cordons, organizing evacuations, and supporting the search and rescue teams. In addition, they helped to find missing people and to identify victims by providing forensic analysis and working closely with the Disaster Victim Identification (DVI) teams at the emergency mortuary set up at Burnham Military Camp. DVI teams from Australia, United Kingdom, Thailand, Taiwan and Israel were also involved in this process to assure correct identification (News Centre, 2011).

The St. John Ambulance Service provided medical response to those injured, and triage stations were set up immediately. The Canterbury District Health Board gave priority to the victims of the quake, cancelling elective surgery outpatients and evacuating existing patients from the hospital to other centres. Those disabled and elderly people from damaged care facilities were evacuated to other regions (Observer, 2011). As with the rescue teams, medical personnel from around New Zealand and from Australia flew into Christchurch to assist with the injured.

**Welfare Response**

Humanitarian and welfare support came from a number of agencies including the Red Cross and the Salvation Army as well as numerous other non-government welfare organizations. Welfare Centres and support networks were set up around Christchurch to shelter the victims. Four major centres were set-up as shelters for those victims of the earthquake who were rendered homeless because of damage to their homes or who were unable to reach their homes due to roads being damaged and unusable.

**Casualties and Damaged Buildings**

The earthquake caused severe damage to public and commercial buildings and private residences in Christchurch.

Two multi-story buildings, the Pyne Gould Corporation building and the Canterbury Television (CTV) building, collapsed during the quake. In addition to
the television station and a medical clinic, the CTV building also housed an English language institute. A number of students from Japan, China, the Philippines, Saudi Arabia, Taiwan, Thailand and Korea as well as staff working in the two buildings were trapped and many were killed (AP, 2011). Many heritage buildings were declared dangerous and were given red-stickers after they were inspected. This means that those building were deemed to be no longer safe for use and would have to be demolished in the near future. The spire of the 19th century cathedral was severely damaged when the roof collapsed (NZPA, 2011). Demolition works on the Cathedral began in late March, 2012 and work has started on the new cardboard building that will act as a temporary replacement for the Christchurch Cathedral (New Zealand Herald, 2012).

The emergency stairwell of Christchurch’s tallest hotel, the Hotel Grand Chancellor, was reported as unsafe and on the verge of collapse (Sydney Morning Herald, 2011). The hotel was demolished in May 2012.

Given the size, severity and damage caused by both disasters in the United States and New Zealand, Hurricane Katrina was much more devastating in magnitude than the Christchurch earthquake, the economic impact of the earthquake was more significant, affecting nearly eight percent of New Zealand’s national GDP (NHRP, 2012) compared to one percent of the US economy (Milken Institute, 2005). Additionally, while the effects of the hurricane were felt most strongly by the poor of New Orleans, the effects of the earthquake were felt across all the economic classes of Christchurch.

To conclude, the initial responses to the two disasters differed in the degree to which the respective government were organised for such event.

Chapter 3 will discuss Gosta Esping-Andersen’s three welfare state capitalism typologies and where the United States and New Zealand are placed in these typologies. The chapter will include reactions toward, and critiques of his argument.
CHAPTER THREE

SOCIAL POLICY IN THE UNITED STATES AND NEW ZEALAND

This chapter discusses Esping-Andersen’s analytical framework which I use to contextualize the United States’ and New Zealand’s approaches to welfare. The chapter will include critiques of, and reactions towards, Esping-Andersen’s “Three states of welfare capitalism” and present the alternative conceptualizations of the welfare state that different authors have suggested.

Esping-Andersen - Three Worlds of Capitalism

In “The Three worlds of Welfare Capitalism” (1990), Gosta Esping-Andersen argued that the then existing theoretical models of welfare were unsatisfactory and he offered new models that he argued were more consistent and also developed a framework through which to analyse them.

Esping-Andersen (1990) argued that the levels of public expenditure on welfare (traditionally used to analyse welfare states) were inadequate and obscured “an understanding of difference and cultural and institutional diversity” (Kennett, 2001, p.78). In order to understand the diverse nature of welfare provision delivery and the varied character of welfare institutions in different countries, Esping-Andersen (1990) developed the concept of welfare regimes. Building on Titmuss’s (1968, 1974) work around the differentiation between the residual welfare model, the industrial achievement-performance model and the institutional redistributive model, Esping-Andersen’s argued that:

Contemporary advanced nations cluster not only in terms of how their traditional social welfare policies are constructed but also in terms of how these influence employment and general social structure. The talk of a “regime” is to denote the fact that in the relation between state and economy a complex of legal and organizational features are systematically interwoven (Esping-Andersen, 1990, p.2).

Analysing the welfare regimes of 18 OECD countries Esping-Andersen used three key dimensions in his framework to identify the different ways that countries approached social policy: social rights, delivery responsibilities and distribution of resources.
Esping-Andersen built his argument on classical social policy writers such as Marshall (1950) who argued that the history of the welfare state involved the development of the provision of important social rights in conjunction with legal and political rights.

Few can disagree with T.H. Marshall’s (1950) proposition that social citizenship constitutes the core idea of a welfare state……Above, all it must involve the granting of social rights” (Esping-Andersen ,1990 p. 21).

The Universal Declaration of Human Rights states that all humans have a right to education and an adequate standard of living (UN General Assembly, 1948 Articles 25 and 26). However, there are many varied ways in which these rights can be met and countries differ, often radically, in terms of how much they support these social/human rights. Not only was Esping-Andersen concerned with how different countries respond to core social needs, he also felt there were key differences in how these responses were met. He argued that there were key differences in how the balance of responsibilities are distributed between the state, the market, the community and families or individuals and borrowing from Titmuss (1956) promoted the idea that welfare is not only a state responsibility but can, and is, delivered by private companies, voluntary organization, families and communities.

Finally, Esping-Andersen maintained that the way social rights are perceived and responded to has a direct impact on the distribution of resources and he suggested that all social policies have an effect on the way in which different groups of people are placed within a society. For example, a healthcare system that is mainly provided by the market (private companies) may provide better access to wealthy citizens, while one that is mainly provided by the state may result in equal access (Hudson, Kuhner, & Lowe, 2008).

Using the three dimensions of: social rights, delivery responsibilities and distribution of resources, Esping-Andersen categorized the welfare state into three types which could be considered to belong on a continuum of liberalism: conservative, liberal and social democratic.

The first type, the conservative or the ‘corporatist’ regime exists in countries such Austria, Italy, France and Germany. In this type of regime, there is a high level of
income protection but only modest redistribution of income between social classes. Nations that follow this regime are typically shaped by the Church and therefore strongly committed to the protection of the traditional family (Esping-Andersen, 1990).

Social insurance typically excludes non-working wives, and family benefits encourage motherhood. Day care, and similar family services are conspicuously underdeveloped; the principle of ‘subsidiary’ serves to emphasize that the state will only interfere when the family’s capacity to service its members is exhausted (Esping-Andersen, 1990, p. 27).

The central element of these nations’ economies is the free-market and social security operates as a savings bank against risks rather than encouraging equality (Hudson, Kuhner, & Lowe, 2008).

In the second type, the liberal welfare state, “means tested assistance, modest universal transfers, or modest social insurance plans predominate” (Esping-Andersen, 1990, p. 26). Benefits are modest, and are directed mainly at individuals on low incomes and entitlements to benefits are often related with stigma.

For economic efficiency, a successful economic performance is a top priority for liberal regimes. They seek to have a high economic growth rate and high levels of employment as well as a flexible labour market in which wages rise and fall in different sectors with labour being relocated according to demand (Goodin, Headey, Muffels & Dirven, 2003). The market is encouraged in two ways, passively, that is by guaranteeing only minimum support, or actively, that is by subsidizing a private welfare system (Esping-Andersen, 1990). Inequality levels are significant in a liberal welfare regime as inequality is largely generated by the market.

State intervention in a liberal regime is minimized due to de-commodification effects, a typical character of this typology, with much focus on the market and how it operates. In addition, the system contains the realm of social rights, and works under the order of stratification, which merges relative equality of poverty
among state-welfare recipients, market-differentiated welfare among the
majorities, and a class-political dualism between the two (Esping-Andersen, 1990).

According to Esping-Andersen, the third type includes those countries designated
as social democratic. In this regime, the social democrats pursue “a welfare state
that would promote an equality of the highest standards, not an equality of
minimal needs” (Esping-Andersen, 1990, p. 27). To ensure that this is attained
Esping-Andersen stated that:

This implied, first that services and benefits be upgraded to levels commensurate
with even the most discriminating tastes of the new middle classes; and, second,
that equality be furnished by guaranteeing workers full participation in the quality
of rights enjoyed by the better-off (Esping-Andersen, 1990, p. 27).

Reactions and Critiques towards Esping-Andersen’s typologies.

Andersen’s (1990) typologies can be seen as defining a common feature of a
certain state but which is not necessarily fixed over a period of time. Due to
globalization and different political factors in some states, Peter Baldwin (1997)
takes the term “welfare state” more broadly and like Gosta-Esping Andersen
identifies three broad types of welfare states (Jamrozik, 2001). In addition, some
writers suggested different typologies with different labels based on different
dimensions. Bonoli (1997) and Ferrera (1997) suggested the addition of welfare
regimes like a ‘Bismarck or Beveridge’ models and the “Southern” approach.
Jones (1993) and Kwon (1997) added an ‘East Asian’ welfare type or the
‘Confucian type’ based on countries in East Asia. The ‘Antipodean’ welfare
regimes found in Australia and New Zealand are described in Castles and Mitchell
typology and argued that most countries

practice a disjointed set of welfare policies due to the following typical
features of welfare policy making (1) the cumulative nature of welfare
policies, (2) the diverse histories of policies in different welfare fields, (3)
the involvement of different sets of policy actors, (4) variations in policy
making process, and (5) the influence of foreign models (Fenger, 2007, p.
10)
Peter Baldwin – State and Citizenship in the Age of Globalisation

Baldwin (1997) takes the term ‘welfare state’ more broadly and identifies three other welfare regimes. Baldwin (1997) starts with the European model in which each country has a different role in dealing with their society, but the responsibility of social policy and the solution of any problems lie with the state. Charities and occupational effort have a minor role in society.

The second type that Baldwin (1997) describes can be found in the newly emerging Asian countries where economic progress does not come with any visible growth of public welfare provisions. Those citizens who cannot obtain the necessities from the labour market are taken care of by their families and the institutions of these societies (Jamrozik, 2001).

Peter Baldwin’s third type is what he calls the “in-between type” (1997) and parallels Esping-Andersen’s “liberal” regime which is personified by the United States. Although liberal, Baldwin goes beyond Esping-Andersen’s welfare typology and explains that excellent health insurance and pension schemes in the United States favour those in employment, while those provision are absent to those who do not hold a place in the labour market (Jamrozik, 2001).

Bonoli and Ferrera – Classifying Welfare States and the “Southern” model of welfare

Giuliano Bonoli (1997) adds the ‘Mediterranean countries’ (such as Italy and Greece) to the list of regimes and is critical about the concept of de-commodification, and claims that Esping-Andersen (1990) confuses issues about system generosity with ones about redistribution. Esping-Andersen (1990) tends to run together the distinction between national income maintenance systems in terms of levels of expenditure, with one in terms of the nature of the redistributive system used (Bonoli, 1997). Bonoli brings another version of redistribution using the names of two ‘founding fathers’ of social policy: the 19th century German Otto von Bismarck and the British policy adviser, William Beveridge, who was influential in the first half of the twentieth century. In Bonoli’s argument, Bismarck is seen as the key figure for the development of the conservative regime, developing a relatively strict insurance system where what people receive heavily depends on what they have put in. Similarly, William Beveridge supported the use
of social insurance but more as a way of paying attention to a person’s ‘need’. In his argument, Bonoli (1997) sees Beveridge as an influential person for the minimalist liberal approach that embodies the use of insurance principles and the more generous but need-oriented approach of the social democratic regime.

Maurizio Ferrera (1996) argues for the addition of the ‘Southern model’ (for example, Spain and Portugal) typology of social policy. Ferrera focuses on four dimensions of social security systems: The policies of access, the regulations to financial social protection, the terms in which benefits are granted, and the organizational managerial arrangements to direct the various social security schemes (Ferrera, 1996). With these dimensions, Ferrera makes a comparison between the Scandinavian, Anglo-Saxon, Bismarckian, and the Southern countries. Speaking about the Scandinavian countries, he argues that on the basis of citizenship; people have the right to social protection and enjoy universal coverage for the risks of life (injury and unemployment risks for example). For the Anglo-Saxon states, Ferrera argues that those countries are characterized by highly ‘inclusive’ social security coverage, but universal coverage is found only in the area of health care. Means-tested and flat rate benefits play an important role. For the countries described as the ‘Bismarckian’ contributions from society have an important part in financing social security in which social insurance covers almost everybody. Finally, Ferrera (1996) discusses the social protection of the ‘Southern countries’ and states that some benefits in those countries are very generous and, based on citizenship, healthcare is institutionalized. This means that a person must be a citizen of that state in order to enjoy benefits. Despite this, Ferrera (1996), states that, there is only little state intervention in the welfare sphere (Ferrera, 1996).

**Castles and Mitchell – Worlds of Welfare**

Francis Castles and Deborah Mitchell (1992) challenge Esping-Andersen’s suggestion that decommodification has been a goal of social democratic parties and also challenge the idea of “the expenditure-based orthodoxy that more social spending is the only route to greater social distribution” (Castles and Mitchell, 1992). Castles and Mitchell disagree with Esping-Andersen about Australia and New Zealand and highlight that neither country meets his criterion of de-
commodification where “individuals or families can uphold a socially acceptable standard of living independently of market participation” (Esping-Andersen, 1990, p. 37). Given that Esping-Andersen (1990) places the ‘Antipodeans’ as representatives of the liberal regime, Castles (1993) points out that Australia and New Zealand have a more particular and more comprehensive approach to social protection than the standard liberal form, therefore representing a ‘fourth’ model of social policy. Both Australia and New Zealand have an inclusive system of means-tested income support benefits and superannuation for the aged is universal. Means-test approaches exclude the rich, and may stigmatize the less-well off, but have fairly little direct effect on the income replacement right of the poor. Redistribution of income has been pursued through wage control and employment security. Income guarantees, realized by using market parameters, hence play a significant role in the institutional set-up of the ‘Antipodeans’ (Arts & Gelissen, 2002).

Castles and Mitchell (1992) explain two main factors that led them to critique Gosta Esping Andersen. First, they bring attention to the fact that political activities of the Left have played a major role in bringing equality in pre-tax, pre-transfer income instead of depending on social policy for equality. Secondly, they speak about Australia, with relevance to the United Kingdom, and argue that Esping Andersen’s approach “disregards the potential for income-related benefits to make an effective contribution to redistribution” (Arts & Gelissen, 2002, p. 54). Castles and Mitchell describe Australian income maintenance as being fully means-tested, and does not resemble the liberal type welfare redistribution to the poor, nor have the universal social democratic and the ‘hierarchical solidaristic conservative’ type mention in Esping-Andersen’s ‘The three Worlds of Welfare Capitalism’ (1990). This is the reason that Castles and Mitchell developed their four alternative welfare states: Liberal, Conservative, Non-right Hegemony and Radical (Arts & Gelissen, 2002).
CHAPTER FOUR

WELFARE IN THE USA AND NEW ZEALAND

The United States

The welfare system in the United States has been designed to protect citizens from any industrial hazard that could occur in a capitalist economy. There are a collection of welfare programs which include unemployment insurance, health insurance, old age pensions, accident insurance and support for families with dependent children.

The United States continues to rely on a more intensive use of means tested (residual) form on one hand, and private market based insurance on the other (Myles, 1988). The difference between the ‘residual’ and ‘institutional’ welfare described by the British social researcher Richard Titmuss, comes close to what is traditionally understood by liberal social policy: public intervention occurs only after the two traditional sources of support – family and market – break down (Myles, 1988).

Esping-Andersen categorized the United States as a liberal welfare regime because of the focus on the individual and the emphasis on efficiency rather than equity (Esping-Andersen, 1990). He stated that the United States does not contribute much of its public money to social programs but instead depends on social assistance targeted to those without jobs. Benefits are subsidized through universal taxation and are set below the minimum wage to encourage individuals to look for work. As a neoliberal regime, the United States pay benefits only to those who are considered deserving. The market is the main source of welfare in the United States and has succeeded for three reasons: First, since the Second World War, living standards have risen due to the rapid increase in production of goods and services; second, the labour market has brought more ‘equality’ due to what Goldin & Margo (1992) refer to as the “great compression” of the 1940’s and 1950’s which brought a marked decline in wage inequality; and finally, the market became a source of income security.
The earliest example of welfare in the USA is the Poor Laws, which were imported to the colonies from Britain. Making the distinction between the deserving and undeserving poor, those who were unable to work due to their age or physical health were assisted with cash or alternative forms of help from the government while those who were able-bodied, but unemployed, were provided with public service employment in workhouses.

Throughout the 1800s there were attempts to reform the way government dealt with the poor with reformers advocating that the poor should be trained in morals and a work ethic in an attempt to move them into work and away from the need for assistance.

The need for a more complete welfare policy in the United States began during the Great Depression in the 1930s, when it is estimated that, at its peak, a quarter of the labour force was unemployed resulting in many families suffering financial difficulties. In 1935, under President Franklin D. Roosevelt, the Social Security Act was enacted and established a number of programmes which provided support to various sectors of the population.

By the 1960s some of the faults in this market driven-model were obvious. Groups such as the elderly, and some regions, for example, the Appalachia regions, had missed the rising tides of post-war prosperity and private social benefits had divided the labour market into two divisions – high salary workers who received generous social benefits and those who were on lower incomes with limited job security. In 1968, 4.1 percent of families headed by a woman received welfare assistance from the state. That percentage more than doubled to reach 10 percent by the 1980s (David, 2000).

Unhappy with the notion that individuals were taking advantage of the welfare system by not applying for jobs since it was not compulsory and that individuals with children could receive more aid and greater benefits if unmarried (Welfare information, 2010), the Republican initiated ‘Personal Responsibility and Work Opportunity Reconciliation Act’ better known as the ‘Welfare Reform Bill’ was signed into law by Democrat President, Bill Clinton, on August 22nd 1996.
Throughout American welfare history, the government distribution of welfare has been closely related to cultural attitudes towards the poor. Americans have usually distinguished between the deserving poor and the undeserving poor. The deserving poor are those who are entitled to public assistance because they become needy through no fault of their own. The undeserving poor are those individuals who are responsible for their own plight and who can escape poverty by developing a strong work ethic (Katz, 1996). For much of history, in order to achieve the “American dream”, individuals have been encouraged to advance forward economically through working hard, and poverty is attributed to the moral failing of the individual himself (Lighter, 2008).

In The American welfare system, this division between the deserving and the undeserving poor has translated into a division between social insurance and public assistance programs. Social insurance programs in the United States have been available to those who earn it through work. Social insurance programs include old age-pensions and the unemployment insurance (Lighter, 2008). On the other hand public assistance, which includes aid to dependent children and general assistance for the needy, requires financial and moral evaluations of individuals that are applied before any financial aid is deserved.

Benefits for public assistance are less generous than social insurance as the recipients of public assistance have often been seen undeserving of aid because they did not earn it through work. As a consequence, those people are disadvantaged because their benefits do not lift them out of poverty and remain far below from those who are paid through social insurance (Katz, 1996). Public assistance has thus carried a social stigma.

Other sources for needy Americans other than the government are charitable and voluntary organizations. A broad spectrum of private charities and voluntary organizations are available in the United States. Volunteerism is on the rise in the United States, especially among retired persons. It is estimated that almost 50 percent of Americans over the age of 18 do volunteer work, and nearly 75 percent of U.S. households contribute money to charity (U.S. Diplomatic Mission to Germany, 2009).
New Zealand

Social welfare in New Zealand has long been an important component of New Zealand society. Benefits are provided by the state and financed by taxation (Fiscal policy) in order to help people in need. In addition there is occupational welfare which is distributed by industries as part of the employment in order to improve the efficiency of the workforce. Benefits in New Zealand include: State housing benefits for the ones in need, unemployment benefits, universal superannuation, family benefit such as the Working for Families package, single parent benefits (DPB), health benefits and the legal minimum wage.

Esping Andersen (1990) describes New Zealand as being a representative of the liberal welfare regime. However Castles (1998) claims that New Zealand has a more particular and a more comprehensive approach to social protection than the standard liberal form. The outcome is that New Zealand has the world’s most comprehensive system of income support benefits and a large part of the population receives some benefits. Income redistribution has been traditionally achieved through employment security and wage controls rather than social programs.

New Zealand’s traditional values lie in supporting people when they are in need and that support has been crucial in New Zealand since the 19th century. New Zealand had developed a comprehensive welfare state in the 1950’s and 1960’s and was known for its social experimentation. But more recently, New Zealand has taken welfare reform based on free-market principles and economic rationalism much further than any European countries.

New Zealand is a bi-cultural country which was founded on the Treaty of Waitangi between the British colonizers and the indigenous Maoris in 1840. Although the Treaty of Waitangi ceded a dominant position to the British crown, it ensured Maori its continued position and authority over land and property, and gave Maori the rights and privileges of British subjects (Davey, 2001). The growing number of British settlers in New Zealand in the nineteenth century, made the Maori a minority in their own country, and by the year 1880 the ‘British’ culture came to dominate the nation.
The development of welfare in New Zealand has been strongly influenced by the country’s history and geography. New Zealand’s approach to welfare rests on guaranteeing minimum levels of social protection to those who meet certain conditions. Access to some benefits is universal, such as health care, education and aged pension while others are means-tested. Means-tested benefits guarantee a minimum income level for those who are employed but who are in need of assistance by the state. The welfare and well-being of people in New Zealand is also associated with acknowledging the dignity and rights of individuals. This includes extending benefits to people on the basis of their membership of the human community, or a membership of a particular political community such as citizenship rights (Cheyne, O’Brien, & Belgrave, 2008). Social security in New Zealand emphasizes the right to a benefit based citizenship, while income support and social assistance are based on individual assessment in which the recipient is defined as a consumer with needs.

Social policy in New Zealand, took different innovative approaches and directions at certain periods, that led authors like Professor Ian Shirley (2012) to describe it as a ‘Social Laboratory’ (p. 1). Assisting people in need lay in the traditional values of New Zealand and has been crucial since the 19th century. Social Policy regime in New Zealand has been based primarily on a mixture of the residualist and rights based- models, therefore the contributory principle has remained weak. (Boston, Dalziel & St John, 1999).

New Zealand became a self-governing democracy in 1853 and by 1893, was the first country in the world to grant universal suffrage for women (Shirley, 2012). By 1898, New Zealand introduced the old-age pension, and in the 1930’s, The First Labour government of Michael Joseph Savage, re-organized the welfare state and created the first housing scheme. Health and Family assistance policies were universal and generous especially in the immediate post war period. Education Funding in New Zealand has been Universal in character (Boston, Dalziel & St John, 1999). But some of government’s approaches to income maintenance at that time had a degree of means testing like the family rebate, domestic purpose benefit etc. By the 1950s and 1960s, New Zealand has developed a comprehensive welfare state, but by the 1970s when Britain forged closer links to the European community, New Zealand’s role as a ‘British farm in
the Pacific’, had to undertake some major transformation in the economic structure (Shirley, 2012).

The value of foreign trade declined, and there was an increasing gap between the export receipts and the import prices due to factors like the oil crisis in 1973, and overseas governments who wanted to protect their productive sectors. In response, some of the import controls were lifted and the economy was slowly opened to overseas competition in order to strengthen the export potential of the agricultural and manufacturing sectors. Industries in the country were re-organized through mergers, takeovers and amalgamation, but despite this, production units were still small. The family wage set by the government dropped and led to major transformation in the demographic pattern. Households, including women, had to find ways to expand their household incomes through working multiple jobs and part-time employment. According to Shirley (2012, p. 1):

Social policy at this time was characterized by incrementalism. There was a continuing commitment to full employment, (at least in the rhetoric of government) and a belated attempt to address the falling value of the family wage through a freeze on prices and wages.

In 1972 a Royal Commission on Social Security was established and a review which concentrated on the extent, adequacies and levels of various benefits available to those deemed to be in need was published. This report was written in what later was recognized to be the quite exceptional circumstances of the post-war economic boom. This boom in the developed industrialized democracies resulted in rising productivity levels, based on continuing low inflation, economic growth and increased social spending. (Marglin and Schor 1990; Glynn et al. 1992, Royal Commission 1972: 6-7).

In those circumstances the Commission recommended that there should be a substantial increase in a benefit system as a whole, which would allow beneficiaries to enjoy a standard of living ‘much like’ that of the rest of the community and which would enable them to participate in and belong to the community (Royal Commission 1972:65). This was regarded as both socially acceptable and fiscally affordable (Barnes & Harris, 2011, p.1).
Not long after the Commission released its report, the economic boom came to an end and since the early 1980s as a result of fiscal pressures, lower economic growth, growing unemployment, an ageing population, increasing demands for health and education services coupled with public concern over welfare abuse and fraud and opposition to rising average tax rates, support for the welfare state has been waning. This dissipation of support has also been reflected in the shift to market liberalism and neo-conservatism. From the early 1990s the various centre-right governments of New Zealand have undertaken radical changes in their approaches to social policy and while the welfare state has not been dismantled, it has been substantially altered.

After the defeat of Muldoon’s National Government in 1989, the Labour Government brought in major economic reforms claiming that Muldoon’s economic management brought the country to the brink of collapse (Cheyne, O’Brien, & Belgrave, 2008). Based on the ‘Pain before gain’ theme, the delivery of social objectives was minimized, and the movement towards liberalization became more apparent.

During the early 1980s, the United States and the United Kingdom made a move towards liberalizing the economy and cutting costs on welfare. Those societies based their ideas on “hawkish anti-Soviet jingoism and an appeal to traditional values” (Cheyne, O’Brien, & Belgrave, 2008, p.36). Headed by Prime Minister David Lange, the New Zealand Labour government, while socially liberal was economically neo-liberal and pursued economic policies similar to those of Thatcher and Reagan, claiming that it was the key to sustainable social diversity. The neo-liberals wanted to reduce the power of the state and encourage a free-market, as competition in a free-market society would create a dynamic and efficient society, and reduce the dependency of the welfare state. The Labour government wanted to contain the power of the state in the names of industrial democracy, community development and iwi sovereignty (Cheyne, O’Brien, & Belgrave, 2008).

Moving towards the marketization of government, the Labour government which came to power in 1984, made dramatic economic policy reforms. Exchange controls were lifted completely and tariffs and regulation were reduced or
eliminated. The government was to be made responsive to the market and many state sectors were reconstructed. Agricultural grants were withdrawn and commercial activities were frequently placed in a new corporate structure known as the State-Owned Enterprise (SOE) (Cheyne, O’Brien, & Belgrave, 2008).

In the 1990 election, the National Party and Labour Party policy differences were not extensive. Jim Bolger led the National Party and defeated the Labour Party in a landslide victory. The National government basically continued Labour’s 1984 strategy in reforming the state, continuing the market reform process and cutting government spending. In response to the deficit and fiscal crises of the 1990s, the government announced benefit cuts as an emergency measure (Cheyne, O’Brien, & Belgrave, 2008). The 1991 budget provided a systematic reform package aimed at reducing government spending. The reforms were aimed at reducing dependency on the state, creating a modest safety net and eliminating the suggestions of universal access to welfare.

Reduction of welfare spending by the government in 1991 caused the creation of a new residual welfare to be reformed by the free market. The government aimed at transferring health and welfare services to the private sector and to lessen an individual’s reliance on the public sector. It was argued that transferring those services to the private sector would create competition which in turn would ensure efficiency of the services provided and reduce costs. State housing was no longer state funded as the government made policies to house the less well-off through income subsidies.

By the early 1980s the bulk of social spending, including health care, education and some forms of income maintenance, were largely non-means tested (Boston, Dalziel & St John, 1999). The spending for social services continued until 1983, when the country experienced rising levels of unemployment and slow economic growth that led the government to make significant changes in the welfare system.

The fourth Labour government (1984-1990) imposed a great degree of targeting on some of the benefits. For example, a tax surcharge on Superannuation was introduced in 1985 and Student Allowances for 18 and 19 year olds was means tested from 1989 (Stephens, 1990). Despite the targeting of some forms of income
maintenance, the Labour government rejected the Treasury proposals for cutting social expenditure and making some forms of social assistance means-tested.

By the 1990s a newly led National Government embarked on a major transformation of most aspects of the welfare state, leading to the emergence of a new conservatism. The National Government reduced public expenditure, causing significant cuts in most of the welfare benefits. Targeting approaches were significant in education, health and income maintenance and major changes to the ways social assistance was delivered, particularly in healthcare and housing. National claimed that the margin between the benefit rates and wages was too small and made those on the benefit have little incentive to look for jobs, therefore the only solution was to reduce benefit rates (Boston, Dalziel & St John, 1999). National was committed to the fact that the government should keep itself out of the lives of individuals and that the ‘free-market concept’ would create competition and create more jobs. It argued that people who could not meet their own needs should be supported by the state through a ‘modest safety net’ (Shipley, 1991).

After the loss by the National Party against the Labour Party in 1999, the Labour Government, led by Helen Clark, cautiously gave way to a new form of social democracy. In a time of economic boom and full employment, the Labour led government increased state spending and stressed a partnership model rather than competition between the public, private and voluntary sectors. However, self-reliance and employment were to remain as an important aspect of well-being. In response to these policies, the National party in opposition moved further to the centre, with key policies that differed little in substance from those of the Labour-led government (Cheyne et al., 2008, p. 16).

Despite this return to social democracy, there were significant contrasts between this contemporary form of social democratic values, and the traditional ones of the pre-neo-liberal era (Cheyne et al., 2008). The emphasis here was to reduce benefits and redistribute resources to the people that deserved it. Labour ensured that the surpluses generated by the government were to be redistributed, something deeply rooted in New Zealand’s social policy history. For example, in 2003, the government ensured that an aging population could receive a state-
supported income into the future by redirecting a proportion of the surpluses to a superannuation fund. In 2004 the redistribution of income encompassed low and middle income families not dependent on the benefit through a flagship program.

In 2005, the Labour Party won the election for a second term and continued its commitment to redirecting government surpluses to those in need. Those policies of assisting individuals in need stood against National’s policies of providing very substantial reductions in personal taxation. The election according to Cheyne (2008)

was notable for the adjustments being made on the Centre right, still having difficulty readjusting to the electoral success of the Third Way government (p. 40).

In 2006, National Party leader Don Brash stepped down from the leadership and John Key, Finance Spokesman at that time, was elected to take his place.

In 2008, under John Key’s leadership, National won the election against the Labour Party, which had served three terms in power. John Key promised his centre-right coalitions, ACT, United Future and Maori that he would deliver to New Zealanders strong, stable centre-right values. The current National Party vision to New Zealand is to “seek a safe, prosperous and successful New Zealand that creates opportunities for all New Zealanders to reach their personal goals and dreams” (National, 2012, p. 1). National believes that this vision will be achieved through building a society based on loyalty to the country, national and personal security, equal citizenship and opportunity, personal responsibility, individual freedom, competitive enterprise and rewards for achievement, limited government, strong families and communities, and sustainable development to the environment (National, 2012).

The consequences of the move to a market focused economy

A key feature of both economic and cultural globalization is the global spread of specifically neoliberal forms of governance characterized by an international and patterned move in the direction of increasing marketization, a redrawning of the public/private distinction, valorisation of possessive individualism, and decreasing state spending in social arenas. Most notable in the case of welfare state restructuring in countries like the United States and New Zealand is "a strategy of
deregulating wages and the labour market, combined with a certain degree of welfare state erosion" (Esping-Andersen, 1996, p.10).

Neo-Liberals are opposed to the provision of services by the state. They claim that those services “do not offer the consumer the responsiveness and choice that is associated with a well-functioning market” (Cheyne, O’Brien, & Belgrave, 2008, p. 81). In addition, the welfare state is viewed as a cause of many of the economic difficulties faced by most Western industrialized nations since the 1970s. This is because, the money that is given as a benefit, can otherwise be invested for industrial purposes. This in return, will sustain economic growth and create more jobs.

On the other hand, neo-liberals do not reject the state intervention entirely. The state has the responsibility to ensure the rules that exist for the smooth operation of the market, are functional in a way that does not discriminate in its treatment of individuals and mechanisms are needed for dealing with breaches of such laws, and for solving problems and disputes that could occur between actors in the market-place (Hayek, 1973). For Hayek (1973), through giving charity and voluntary work, the market can be corrected, and the only form of welfare should be limited to a provision of a safety net and must not be seen as a right to those who are in need for assistance.

To conclude this chapter the United States originally adopted and still follows the classical liberal model of social welfare and social policy which depends very much on the market. New Zealand’s approach of the early 20th Century which led to it being regarded as the “model welfare state” changed dramatically due to the fiscal pressures that caused lower economic growth, higher unemployment, an ageing population, increased demands for education and health and changing family structures (Boston, Dalziel & St John, 1999). These pressures resulted in an approach to social welfare and social policy that is closer to that of the United States.

It is these approaches that dictate the ways in which the disasters of Hurricane Katrina and the Christchurch earthquake are managed by their respective regimes. The next two chapters of this thesis discuss the responses of the U.S and New Zealand governments to the disasters.
CHAPTER FIVE
THE RECOVERY PROCESS – NEW ORLEANS

Every country in the world is susceptible to a disaster, no matter how big or devastating it could be, where and when it will happen, they will occur. When a disaster occurs, societies anticipate that their governments will aid the state and local agencies to quickly respond to ease the effects of the disaster and to ensure the immediate safety and welfare of the community. But what happened following Hurricane Katrina was completely different. At the time of Hurricane Katrina in 2005, there was a great deal of criticism regarding the slow response to the disaster, and at the time of writing this thesis in 2012, the city is not fully rebuilt due to unfulfilled promises by the government especially to those low-income citizens who were disproportionately affected.

In contrast the response to the Canterbury earthquake emergency was far more efficient and immediate and according to an American earthquake expert Dan Dyce (2010), “in fact much better than what occurred after the 2005 Katrina hurricane in New Orleans” (n.p.).

This Chapter outlines the recovery process of both the United States and New Zealand and how each government managed the disasters. This chapter will cover selected areas of social policy (health, housing and business recovery) to highlight the extent to which the respective governments were involved in restoring the lives of their citizens within these areas of social policy.

New Orleans, United States

Housing

Hurricane Katrina created a housing crisis of historic magnitude. When the hurricane hit the Gulf Coast, thousands of people were displaced from their homes. Tens of thousands of homes in New Orleans were destroyed or severely damaged
by the winds and the storm surge. Floods created by the breach of the levees led to
the flooding of many houses.

Even before Hurricane Katrina hit, greater New Orleans was one of the more
troubled metropolitan areas in the nation. Sharp racial segregation and high
concentrations of poverty, decentralization, and a slowing economy all challenged
the region (Brookings 2005, p. 2).

The population comprised 75 percent African American and the Impact of the
storm on these vulnerable families was painfully evident when news coverage of
the overcrowded Superdome and the city’s flooded streets exposed the poverty
and vulnerability of its residents.

Black people and poor people bore the brunt of the devastation because—for the
most part—they lived most often in the lower-lying, more flood-prone sections of
the city, such as Mid-City or the Lower Ninth Ward or as the Louisiana State
University geographer Craig Colten observes:

    With greater means and power, the white population occupied the better-
drained sections of the city, while blacks typically inhabited the swampy
`rear’ districts (Brookings 2005, p. 13).
Map 1: Hardest hit areas (Taken from: The Brookings Institution, 2005, p. 18).

**Housing conditions before Katrina**

Compared to the national average, home ownership in New Orleans was low (47 per cent compared to 67 per cent) prior to the hurricane. Like most large cities in the United States, affordable housing and excessive housing costs were an issue. Over half of households with very low incomes were paying over half of their income on housing. The majority of owners and those who rented were equally disadvantaged in respect of the burden of housing costs.

The small number of households that received federal housing assistance were also living in “some of the nation’s worst public housing” (Popkin, Turner & Burt, 2006, p. 2).

The authority that was responsible for providing houses for low-income residents is the Housing Authority of New Orleans (HANO) which according to the U.S. Department of Housing and Urban Development (HUD) had been one of the worst performing housing authorities for more than 30 years (Fosberg, Popkin &
Locke, 1996) and at the time of the hurricane had been put into HUD (Housing and Urban Development) receivership. In 2005 the Housing Authority of New Orleans had 8,421 public housing units and 9,560 Housing Choice Vouchers. The Housing Choice Voucher Program is a federal program provided by the United States Department of Housing:

- to assist low-income families, the disabled and the elderly, to afford decent, safe and sanitary housing in the private market.
- A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family’s choice where the owner agrees to rent under the program.
- A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family (United States Department of Housing and Urban Development, 2010).

Historically, most of the city’s public housing projects were based in low-income neighbourhoods, separating low-income residents from other residents of the city. This resulted in a worsening of racial segregation and a concentration of black poverty. The authority’s neglect and mismanagement over a long period left these developments in “severe distress” (Popkin, Turner & Burt, 2006, p.3). For example, the residents living in projects like Iberville, Florida and Desire suffered not only poor housing but also high levels of violent crime, drug trafficking and other social problems (Popkin, Turner & Burt, 2006).

When Katrina hit New Orleans, the area downriver from the industrial canal in New Orleans was completely flooded. This particular area, the Lower Ninth Ward, was the home of a mostly African American, low-income, working class community of nearly 12,000 inhabitants. Prior to Katrina, with a poverty rate of 28 percent, this community’s the unemployment rate was 11 percent and 17 percent of the households were receiving public assistance (United States Census Beareu, 2004). However, unlike most high-poverty neighbourhoods, nearly 62 percent of the residents in the Lower Ninth Ward were home owners. Many of the houses in the Lower Ninth Ward were uninsured because FEMA had zoned it as a low risk area. The area sat on higher ground protected by the levees, so lenders did not require their clients to buy flood insurance (Whoriskey, 2005). However after Katrina, these low-income families lacked the ability to rebuild their homes.

Table 1 represents a profile of the residents of the Lower Ninth Ward of New Orleans prior to the hurricane.
<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Family Income</td>
<td>$37,214</td>
</tr>
<tr>
<td>Population</td>
<td>12,008</td>
</tr>
<tr>
<td>Poverty Rate (%)</td>
<td>28</td>
</tr>
<tr>
<td>Child Poverty Rate (%)</td>
<td>41</td>
</tr>
<tr>
<td>Share of the population that is Black (%)</td>
<td>92</td>
</tr>
<tr>
<td>Share of the population that is White (%)</td>
<td>7</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>11</td>
</tr>
<tr>
<td>Share of household with public assistance income (%)</td>
<td>17</td>
</tr>
<tr>
<td>Share of 25+ population with a high school diploma (%)</td>
<td>78</td>
</tr>
<tr>
<td>Share of 25+ population with a college degree (%)</td>
<td>16</td>
</tr>
<tr>
<td>Proportion of families and subfamilies with own children who are female-headed (%)</td>
<td>50</td>
</tr>
<tr>
<td>Share of adult population that is over 65 (%)</td>
<td>22</td>
</tr>
<tr>
<td>Share of units occupied by owners (%)</td>
<td>62</td>
</tr>
<tr>
<td>Share of people occupied by renters (%)</td>
<td>32</td>
</tr>
<tr>
<td>Vacancy rate (%)</td>
<td>11</td>
</tr>
<tr>
<td>Share of Owners-occupied units with Mortgage (%)</td>
<td>52</td>
</tr>
</tbody>
</table>

Table 1: Profile of the Lower Ninth Ward in New Orleans before Hurricane Katrina. (Source: United States Census Bureau, 2004).

**Housing after Katrina**

Katrina caused the largest displacement of people ever seen in the United States, forcing more than a million people out of their homes in Louisiana and Mississippi.

![Photo 1](image_url) - An Abandoned House in the Lower 9th Ward, New Orleans. (Photo by Jo Barnes)
After Hurricane Katrina poor households faced urgent problems, trying, without work or income, to find a place to live in different communities. In addition, there was no clear plan for housing these poor families when thousands of other evacuees remained in hotels and temporary housing situations. People who moved out of hotels lived in a mixture of arrangements, including trailers, temporary apartments in other cities and doubling up with family, friends and in some cases strangers.

On October 6th, 2005, the House of Representatives approved a set of waivers for displaced families with existing Housing Choice Vouchers, endorsing the important role that housing vouchers have for placing people into more permanent living arrangements (Sard & Rice, 2005). This new plan had two parts. First, the displaced homeowners and renters were eligible to receive rental housing assistance through FEMA’s Individuals and Households Program (IHP) once FEMA had identified that their original dwelling was unfit to live in and other criteria had been met. For those who homes were severely damaged, especially those from the coastal counties, an immediate cash payment of $2,358 to cover three months’ rent was paid. More than 400,000 families received payments from FEMA two weeks after announcing the new plan. (FEMA, 2005).

The second part of the plan addresses the housing needs of the relatively few households that were living in HUD-subsidized housing or were homeless before
the disaster. Those families received rental housing vouchers for 18 months under a temporary HUD program called the Katrina Disaster Housing Assistance Program (KDHAP). This benefit had the same administrative structure as the Housing Choice Vouchers but was less generous since it did not include a allowance for utilities nor could it be used move to a new jurisdiction (Sard & Rice, 2005).

Low-income and unsubsidized renters, whose homes had been damaged or destroyed by the catastrophe, faced confusing choices (Katz, Liu & Fellowes, 2005). In the short term, FEMA housed those people in shelters, hotels and cruise ships.

FEMA’s initial response after the disaster was to order and deploy trailers for those who found themselves homeless. FEMA’s announcement that it had ordered 300,000 trailers and would create villages of as many as 25,000 households in rural areas was widely criticized (Sard & Rice, 2005).

“The prospect of several hundred poor families isolated together in trailer camps removed from transportation, jobs, schools, health care, and shopping provoked a widespread objection across the political spectrum” (Crowley, 2005, p.129).

Poor evacuees sent to isolated trailer parks risked being even worse off economically than they were before the flood destroyed their communities.

Another attempt by FEMA was to provide homeowners with trailers and place them on their own properties while they rebuilt. This approach was met with criticism and resistance by some parish governments in Louisiana and by neighbours in New Orleans (Sard & Rice, 2005). The problem with trailers is they are structurally unstable for hurricane affected areas and according to Mississippi Governor Haley Barbour (2006), “they do not even provide the most basic protection from high winds and severe thunderstorms”.

Although trailers had to be part of the solution in areas with acute housing shortages, FEMA soon backed off its reliance on trailers as the preferred temporary housing choice (Crowley, 2005, p.129)

Additional to the difficulties of coping with the results of Katrina, homeowners with mortgages faced an additional problem, particularly if their homes had been
rendered uninhabitable. The three-month grace period granted to homeowners with mortgages ended on December 1st, 2005, so that mortgage holders were liable for their monthly payments. HUD announced that it would provide mortgage assistance for up to 20,000 households with FHA-insured mortgages—but only if their properties could be rebuilt, if they had enough insurance or personal resources to complete the rebuilding, and if they were employed or very likely to return to work (United States Department of Housing and Urban Development, 2005). Other homeowners would have no choice but abandon their homes altogether, losing whatever equity they had and leaving the mortgage lenders with large losses.

The response to the short-term housing needs of Katrina evacuees was very different to the way the government dealt with the 1994 Northridge earthquake when more than 10,000 low-income families were left homeless. HUD led a coordinated effort with both federal and local agencies and issued thousands of emergency Housing Choice Vouchers. They also provided assistance in finding housing for the displaced households and within weeks, all evacuees had been moved into permanent apartments (Popkin, Turner & Burt, 2006).

Many displaced people from the Gulf Coast evacuated to different states. The increased demand for affordable housing resulted in the increase in rent prices around the country which made poor-income families even more vulnerable. Many of those who had moved to Texas were unable to rent the vacant homes because the rent was more than they could afford and there were no housing vouchers to help them bridge the gap between what the housing cost and what they could afford (Crowley, 2005).

With new businesses and entire industries developing, with the aid of generous tax incentives, the business district of New Orleans shows little evidence of Hurricane Katrina.

In 2010 an article by Scott Cohn (CBBC Senior Correspondent” quoted Nic Perkin, President and founder of Receivables Exchange (an electricon marketplace which allows business to sell outstanding invoices):
Business is up 300 percent so far this year, said Perkin. "We're growing pretty close to as fast as we can."

Cohn added that Perkin believed that this was due to the hurricane:

Obviously, a human tragedy," added Perkin. But he believes it "permanently changed" Louisiana's business climate, by eliminating bureaucracies and spurring a plethora of tax credits (Cohn, 2010).

However, the poor areas that were affected so badly are only slowly being repaired. In 2012 only about 5,500 people live in the Lower Ninth Ward compared with four times that many in 2000. This mostly empty neighbourhood still has no police station, supermarket or hospital (Brown, 2012).

Cohn (2010) makes the point:

In places like Gentilly’s Pontchartrain Park and the Lower Ninth Ward, where Brad Pitt’s eco-friendly “Make it Right” homes seem to pop out of nowhere, are splashes of new development.

But there is also the Ninth Ward intersection of Louisa and Law, which we have visited repeatedly over the years. Once, it was the epicenter of a neighbourhood-within-a neighbourhood, with a school, church and small snack shop.

All that has reopened is the church, but the giant stained glass window over the entrance—which residents used to escape into a raft—is bricked over. Few residents have returned, and the school was eventually torn down. Many of the homes, or what is left of them, have barely changed since the waters receded five years ago.

The Make it right foundation of New Orleans, is a foundation established in 2006 by the actor, Brad Pitt, and is dedicated to rebuilding New Orleans. Over 4000 homes were destroyed by Hurricane Katrina in the New Orleans lower 9th ward. The foundation in 2006, announced it would build 150 homes that would be safe and storm resistant, affordable, green and healthy for families in the Lower 9th Ward who were displaced by Hurricane Katrina. Funded by an initial commitment by Brad Pitt to match five million dollars in contributions to the project, the Make It Right foundation completed 75 homes by 2011 and is working on completing the second half of the project (Make it right, 2012).

While housing was the obviously the most prominent issue arising from the devastation of Hurricane Katrina, the issues of healthcare is an on-going issue for New Orleans.
Health

Health care in New Orleans faced a variety of political, economic and social challenges that contributed to the health-care issues.

before the storms hit, Louisiana ranked lowest overall in the country. . . . It numbered among the five worst states for infant mortality, cancer deaths, prevalence of smoking, and premature deaths. . . . Louisianans also had among the nation’s highest rates of cardiovascular deaths, motor vehicle deaths, occupational fatalities, infectious diseases, and violent crime (United Health Foundation Report, 2004, quoted in Hartman & Squires, 2009, p. 498)

Much of city’s health care system was destroyed, many hospitals were damaged, their patients evacuated and thousands of doctors were dislocated. According to Nositter (2011):

2,500 patients in the drowning city were being evacuated because at least seven hospitals in Orleans Parish were threatened by the loss of their power generators and other problems (p. 1).

With New Orleans being home to one the nation’s large uninsured population and having extreme poverty rates especially among Afro-Americans, who form most of the city’s population, the citizens of New Orleans depend heavily on a handful of healthcare providers and clinics of last resort. An important provider was the New Orleans Charity Hospital which was badly damaged and closed.

Following the storm health care personal and emergency services worked effectively to establish triage centres in several parts of the city: The Louis Armstrong New Orleans International Airport was used as a triage centre and a temporary morgue; empty commercial parking lots were used to construct mobile treatment centres for patients who required attention and the navy deployed hospital ships to the New Orleans seaport (Moller, 2005; Romano, 2005; Upshaw 2005).

The Louisiana State Government acted promptly to ensure that its Medicaid program continued serving beneficiaries, for example, temporary cards were issued for those who lost theirs during the hurricane (Baumrucker et al., 2005)
Federally, a strategy was developed to provide health services for the Katrina affected low-income residents but eventually Congress disagreed on the program as the Bush administration favoured a state-focused approach and consequently Medicaid “waivers” were introduced (Baumrucker et al., 2005; Park, 2005). Medicaid waivers are designed to allow states to be flexible in providing health care options and eligibility for citizens, allowing states to save money and patients to have more freedom of choice (Wisegeek, 2012). The waiver cover included the uninsured and selected groups that evacuated from the host state because of the storm.

There were high rates of illness, especially among children who had been displaced by Katrina. A news article published by the New York Times showed that children who were displaced and lived in the state’s biggest trailer parks showed high rates of anaemia because of sub-standard diets (Louisiana: High Anaemia Rates, 2008).

Mental health problems have been rife, with a notable rise in suicides. A study of trailer park residents reported a rate of major depression more than seven times the national rate of 6.7 percent, and 20 percent reported having contemplated suicide (Hartman & Squires, 2009, p.498)

In 2008, there were still displaced families living in trailers that were provided by FEMA as temporary accommodation. Those trailers were a health hazard to its occupants as they were built quickly with low-quality control and contained high quantity of formaldehyde in its material. Formaldehyde is a colourless, strong-smelling gas. It is used to make building materials and household products. Formaldehyde is used to make walls, cabinets, and furniture (CDC, 2012, pg. 1). The exposure of formaldehyde in those trailers caused its occupants to have serious eye, lung, and nose irritation, given the hot and humid weather in New Orleans (Harman & Squires, 2009).

FEMA clearly knew about this gas and its health impacts, but decided to ignore alerts coming from its own health workers. What was even more disturbing is FEMA’s open auction to sell 11,000 of these trailers as they were no longer needed for emergency purposes and an additional 864 were sold to resident
evacuees. This is only one of the many indications of how the agency worked with people that were vulnerable.

As mentioned above the Reverend Avery C Alexander Charity Hospital was permanently closed. According to K Brad Ott (2012), the hospital administrative operator, Louisiana State Hospital:

backed by Louisiana state officials, took advantage of the mass internal displacement of New Orleans’s populace in the aftermath of Hurricane Katrina in an attempt to abandon Charity Hospital’s iconic but neglected facility and to supplants its original safety net mission serving the poor and uninsured for its neoliberal transformation to favour LSU’s academic medical enterprise (p. vii).

Space does not allow for a full discussion but the Charity hospital and its sister campus University Hospital (known together as the Medical Center of Louisiana at New Orleans (MCLNO) had been under threat for a number of years prior to the hurricane as state authorities attempted to redirect its main DHS funding away from the Charity System (Ott,2012 p.66). In May 2005 the closure and replacement of the hospitals was proposed:

Due to years of deferred maintenance, lack of reinvestment in facilities and changes in privacy regulation MCLNO is housed in hopelessly outmoded facilities. Without action, MCLNO will likely lose its facility accreditation. The loss of this accreditation will cause MCLNO to fail to meet its mission of providing healthcare access to the uninsured; resulting in the redistribution of the area’s medically indigent to New Orleans’s other hospitals at a potentially higher cost to the state (Adams, 2005, p. 7).

The basements of the Charity and University hospitals were flooded resulting in electrical switchgears being swamped. Conditions rapidly deteriorated and the hospitals left with electricity, air conditioning or running water. About 370 patients were evacuated from the two hospitals, some of them to the more fortunate Tulane Medical Center:

One of the most dramatic, and horrible, examples of the inequality of the disaster was that of Charity Hospital, where 600 patients and medical staff were trapped for more than 4 days behind torrents of sewerage and contaminated water, cut off from electrical power, clean water and medical supplies. While Charity, the largest public hospital in Louisiana, went without relief...the private facility across the street, Tulane University Medical Center, hired 20 private helicopters to evacuate its 1400 patients and family members (Loewenberg, 2005, p. 881)
In the second week of September the Charity hospital Emergency Department staff and personnel from the U.S. Army Special Forces worked to restore power and cleanup the hospital. At first authorization was given to proceed with the clean up, the Emergency Department doctors were warned not to admit patients. (Moises, 2009b). Despite the fact that three floors were clean and ready for use, “LSU, backed by state officials, order an end to all efforts to reopen Charity Hospital” (Johnson 2009, p5). The LSU officials threatened to charge hospital workers with criminal trespassing if they attempted to return to work. “Charity Hospital was then permanently closed by September, 30, 2005” (Moises 2009b, p.12)

Eight years after Katrina, Charity Hospital will be replaced by a new University Medical Centre, one with a different financial model that would appeal more to insured patients. Adjacent to the New University Medical centre will be the New Veterans Affairs Medical Centre that is set to be completed by 2015. No longer will there be the iconic Charity Hospital of previous times.
CHAPTER SIX

THE RECOVERY PROCESS - CHRISTCHURCH

On the 4th September 2010, Christchurch was hit by a 7.1 magnitude earthquake which caused damage to several houses and buildings in Christchurch. Ongoing aftershocks to the city and its surroundings caused further damage. Just as people were recovering from the 2010 Darfield Earthquake, a magnitude 6.3 earthquake (technically an aftershock of the earlier quake) hit the City on the 22nd of February, 2011, causing buildings to collapse and further damage to properties that had already been damaged by the previous earthquake.

Housing

Housing in Christchurch is still an ongoing issue with reports of people being still homeless after more than a year since the February 2011 earthquake.

Early indications after the quake showed that at least 10,000 homes would be demolished and 100,000 homes needed to be repaired (Bennet & Leask, 2011). By March 3rd, 2011, 56,000 properties had been inspected by building engineers who placed yellow or red stickers to restrict access due to safety reasons. Inspection of buildings in New Zealand uses a building safety tagging procedure (similar to the one in the U.S.) using three different colours: green (safe and inspected), yellow (restricted use) and red (unsafe).

The quake caused only limited structural damage to houses, but non-structural damage was extensive. Non-structural components are those things that do not support the building, for example, shattered glass, shelves, furniture etc. (Lexic, 2012). In Christchurch, the tremor caused chimney failure, brick fences to collapse, cracks in walls and other damage which is common to quakes of this magnitude, and accounted for major dollar losses.
Most structural damage in Christchurch was caused by soil liquefaction and land instability (EERI, 2011). This caused major damage to properties, particularly those that are situated along the Avon River and the eastern coastal suburbs. Many houses were deemed beyond repair due to severe liquefaction and as a result, houses were abandoned. The worst hit suburbs in Christchurch, according to a press release from a 3 news website, were Bexley, Avondale, Horseshoe Lake, Burwood, Dallington and Avonside (Garner, 2011).

Photo 3: Non-structural damage caused by the 2011 Christchurch earthquake. (Photo taken: 03/8/2012 by Sue Chaytor)

Photo 4: An abandoned street beside Avon River in Christchurch 2012. Seen in the background is a truck driving towards a construction site to load up demolition debris. (Photo taken: 03/8/2012 by Sue Chaytor).
Photo 5: A house in Kaiapoi moved on its foundation in both the September and February earthquakes a total of 1.8m (photo: Lai). Source (EERI, 2011).

As of the 6th of August 2012, New Zealand’s Earthquake commission (EQC) had received 459,195 claims of which 414,064 of them were building claims. According to the Scorecard, a total number of 20,007 home repairs and 45,920 urgent repairs were completed. A total amount of $3,257,145,068 was paid out to insured homeowners (Earthquake Commission, 2012).

On the 22nd of June 2011, geotechnical engineers prepared a map for the government of greater Christchurch divided into four residential zones – red, orange, white and green.

Map 2: Map of Greater Christchurch released on the 23rd June 2011. The map shows how Greater Christchurch is divided into different coloured residential zones (CERA: 2012).
The four different colour zones represented in Map 1 have their own classification. Properties located in the red zone for example, Avondale and Burwood have wide land and infrastructure damage, and are considered unsafe for residential purposes. Repairs to the land have been deemed to be costly, uncertain and highly disruptive by on-going aftershocks and therefore should be abandoned (CERA, 2012).

Map 3: Map of the different zones in Christchurch as of the 29th June 2012. (CERA: 2012).

Properties across the orange zone had to wait for further assessment. As of the 29th of June 2012, the properties in the orange zone have been rezoned to either green or red, for example, Parklands (green), Redcliff and Southshore (red) as shown in Map 2 (CERA, 2012).
Map 4: Map shows the red and white zone areas in Port Hills as of 29th June 2012. (CERA, 2012).

The White zone areas as shown in Map 1 and 3 have complicated geotechnical issues relating to landslips and rock roll, and will require further assessment and observation before any decision is made, for example, Port Hills as shown in map 3.

The green zone areas across Christchurch are considered suitable for residential construction depending on the status of the land, council consent requirements, on-going seismic activity and foundation guidelines.

The foundation technical categories (TC1, TC2 and TC3), are placed across the green zone. They represent areas that could possibly be affected by liquefaction in future quakes. The higher the category number, the larger the damage that could be caused by liquefaction. For the areas that are in the N/A category, normal consenting procedures apply. (CERA, 2012). Following is a map showing the technical categories in Christchurch.
Red Zone Residents

The residents in the red zone had the choice of accepting one of two options offered by the Crown. The first option according to CERA (2012) was:

the purchase price paid for your property will be based on the most recent rating valuation for your land, buildings and fixtures and the Crown will take over all insurance claims for the damage to your property.

The second option:

the purchase price paid for your property will be the most recent rating valuation for your land and the Crown will take over your EQC claim for land damage only. You will retain the benefit of all insurance claims for the damage to your buildings and fixtures and will continue to deal with EQC and your insurer to settle those claims (CERA, 2012).

For the people who wished to accept one of these two options, applicants had to complete a consent form with details about their property, insurance from the Earthquake Commission (EQC) and their own insurer. The consent forms had to
be completed and sent to CERA before the 31st March 2012 authorizing EQC and the insurer to share this information with the Crown.

The Crown offer was extended to include dwellings that were under-construction in the residential red zone, and owners of not-for-profit, non-residential buildings in the red-zone (CERA, 2012).

The Crown offer only included the insured properties in the red-zone and excluded the uninsured. The uninsured homes in Christchurch are, according to CERA’s boss, Roger Sutton, “less than 50, so that is relatively a small number” (Clark, 2011). Some people showed discontent with people who were uninsured and pointed out that people who were insured should be recovered first. According to TV3 News, Local MP, Brendon Burns said those with insurance must come first (Clark, 2011). Some residents who kept up with their insurance showed little or no sympathy for their uninsured neighbours.

A group of Christchurch and Canterbury residents called the ‘Quake Outcasts’ are appealing to the red zone owners to write to the Queen requesting justice and the upholding of New Zealand and international law regarding private property ownership. The group claims that the:

Canterbury Earthquake Recovery Authority and the Minister for Earthquake Recovery have proven to be unwilling or unable to respond to repeated cries for fair treatment, and owners of uninsured homes and empty sections that are red-zoned by CERA are not even being offered a buyout (The Real Recovery, 2012).

**Temporary housing**

Immediately after the first earthquake emergency accommodation was required. A number of people who were displaced sheltered in welfare centres at different points in Christchurch like Linwood high School, Cowles Stadium, Burnside Welfare Centre, Addington Raceway Centre and Kaiapoi Rugby Football clubrooms (NZSEE, 2012). On the 5th of September, an estimated 200 people were housed in shelters while others relied on friends and family, or stayed in motels and hotels (Staff Writers, 2010). Those who needed economic assistance
received assistance through Housing New Zealand, the Red Cross and other non-governmental organizations.

It was not until the 18th February, five months after the 2010 Darfield earthquake and three days before the much more destructive quake in 2011 that the government introduced a larger-scale, long-term solution. The Earthquake Recovery Minister (Gerry Brownlee) announced that the package included the establishment of temporary financial accommodation assistance to help cover accommodation costs for homeowners who had to leave their homes.

The temporary accommodation service will provide a safety net for those who are unable to facilitate their own rental accommodation by matching their needs with available properties” (National Party, 2011).

Financial assistance was to be available to homeowners whose homes were extensively damaged and would take so long to rebuild or repair that their private insurance would run out.

Most people have six or twelve months of temporary accommodation cover under their insurance policy, but the size and scale of this event means the recovery process will take longer than that (National Party, 2011).

Administered by the Ministry of Social Development (MSD) and the Department of Housing (DBH) and funded by the Canterbury Earthquake Temporary Accommodation Service (CETAS), the benefit was to be universal and not subject to any income or asset testing (National Party, 2011).

The government has said all along we are committed to supporting the people of Canterbury during the recovery from this devastating earthquake and this announcement further delivers on that intention (National Party, 2011).

On the 22nd February 2011, the 6.3 jolt caused widespread damage to houses around Christchurch increasing the demand for temporary housing solutions. That night an estimated 1000 people stayed in welfare centres set up at Burnside High school and Hagley Park in Christchurch City Central (One News, 2011).

On the 4th of March 2011, representatives from the Department of Housing (DBH), Civil Defence, Emergency Management (CDEM) and the Christchurch City Council (CCC) formed a working group to respond to the short and medium
term housing issues. The group’s responsibility was to establish, develop, and activate a plan for providing transportable, self-contained accommodation for residents displaced by the quake, and find options for emergency and medium term temporary accommodation (NZSEE, 2012).

By April 2011, The Department of Building and Housing New Zealand (DBH) had provided more than 350 campervans as temporary housing at the Canterbury Agricultural Park until August 2011. The campervans were not free of charge, and they ranged in price from $190 per week for two people up to $337 for six people (NZPA, 2011). As a result all but 65 of the campervans were returned to the hire company and only two of these were occupied (Heather, 2011).

By mid-April 2011, contracts were awarded to three housing providers (a consortium of Hawkin/ Spanbild/Fulton Hogan, Jennian Homes and New Zealand Transportable Units) to build portable dwellings as a longer term (up to 2 years) accommodation (DBH, 2011). People who wanted this particular kind of dwelling on private sections had to meet certain criteria, for example, homeowners had to pay certain installation costs and live in them for a minimum period of six months.

The Canterbury Earthquake Temporary Accommodation services (CETAS), began working after a two month halt due to the quake, and took over services from Housing New Zealand. CETAS arranged temporary houses for those affected by the quake and was responsible for managing the allocation of temporary accommodation, coordination of social services and financial assistance for housing (Environment Canterbury, 2011).

In May 2011, to meet the demand for temporary housing, the Department of Housing confirmed three sites for villages of portable homes of which two were in Christchurch (Linwood Park and Rawhiti Domain village) and one in Kaiapoi.

The Kaipoi Domain Village was ready by July 2011 with twenty-two temporary units (Christchurch City Council, 2011). The Linwood Park Village in Christchurch was ready by August 2011 with forty-one units. Rawhiti Village was completed in July 2012 with a total number of twenty-two units. The units, a mix of two, three and four unfurnished units were fully serviced with town water
supply, sewerage and storm water drains, rubbish collection, power and telephone lines (CETAS, 2012)

**Health**

**Psychological Effects After An Earthquake**

When an earthquake strikes a particular area, violent tremors can cause serious structural damage to buildings. People can be killed, injured, trapped under rubble; they may witness the injury or death of others and lose property. Emotional reactions such as fear, helplessness and disorientation occur during an earthquake and this is linked to death from cardiac arrest and extreme behaviours that are caused by panic. After an earthquake, the effects are seen as being categorized into three distinct phases: the acute, the medium-term and the long term.

**The Acute**

This phase occurs generally a few days or a few weeks after a major earthquake. In this phase, the affected communities focus on rescuing those who have been trapped under the rubble, caring for the injured, analysing the extent of the damage, and focus on how to manage and address the problems caused by the earthquake. Survivors bury their loved ones, and those who lose their homes seek temporary accommodation. Ongoing aftershocks may lead to further damage to building and casualties. People may avoid entering damaged homes due to safety reasons and fear of further earthquakes. Government and relief organizations set up tents and prefabricated housing sites in order to accommodate the homeless survivors. Little is known about the psychological status of survivors in the acute phase aftermath of a major earthquake. Livanou and Basoglu (2007), refer to studies that involve assessments one to four weeks post-earthquake that were based on convenience and clinical samples and stated:

increased rates of symptoms of acute stress disorder (dissociative symptoms, re-experiencing, avoidance of trauma reminders, and anxiety or increased arousal and depression (p. 740).

**Medium Term Effects**

Medium term effects occur approximately one year after a major earthquake. Many quake survivors face difficulties in coping with the day-today duties. This is
related to either previous or ongoing issues like the loss of loved ones, injury, homelessness, material loss, relocation and other quake related stressors (Livanou & Basoglu, 2007). Ongoing aftershocks in an affected zone may lead to the increase in the levels of traumatic stress. In addition, evidence shows that earthquakes can lead to an increase in the rate of generalized anxiety disorder and alcohol abuse (Livanou & Basoglu, 2007).

**Long-term effects**

Long–term effects of an earthquake may vary depending on the magnitude and severity of the quake. Studies have shown that survivors of serious earthquakes often show significantly higher rates of psychopathology than the survivors from minor earthquakes. This is because survivors from a major earthquake may experience different kinds of traumatic stressors such as physical injury, being trapped under rubble, witnessing unpleasant scenes while rescuing others and other related stressors.

Many people were psychologically affected by the two Christchurch earthquakes of 2010 and 2011. The ongoing aftershocks (between September 4th, 2010 and 13th October, 2012 there had been 10,809 quakes (Christchurch Quake Map)) and people seeking insurance recovery were the two main reasons for people seeking counselling at help centres. A media release published in the Rebuild Christchurch Website reported that many people who visited the “Durham Centre”, which is organized by a group of psychological counsellors in Christchurch, “complained of nightmares, flashbacks, fear, eating disorders, relationship issues, and increased alcohol use” (Media3News, 2012).

Another article published by “The Press” stated that “Fifteen months on from the Christchurch killer earthquake, the demand for counselling for stress related issues shows no signs of easing” (Cairns, 2012). The article stated that Pegasus Health, which supports 95 health centres in the Canterbury region, was receiving an average of 100 referrals per week to its mental health liaison and health services. In addition, the article stated that before the quakes, patients were predominantly women and accounted for 70% of the service workload. After the quakes children and older people are seeking help (Cairns, 2012).
A further news article reported the effect of cold weather in winter:

Freezing temperatures, draughty quake damaged homes; overcrowding and exasperation with the repair agencies will take a toll on the physical and mental health on Cantabrians this winter (Eleven, 2012).

Two further issues related to stress following the earthquakes are the increase in cases of anger management and the rise in the divorce rate. The Petersgate Counselling Centre had seen an increase in the number of people seeking help (Stewart, 2012). Struan Duthie, director of the clinic, said that “men in particular find it hard to express sadness and disappointment” and added that “this sadness often transformed into trouble within relationships and domestic violence” (Stewart 2012). Duthie claimed that some of the triggers for these anger related issues included the loss of business, strained relationships and living with relatives.

In the seven months to July 2012 there were 600 applications to the Family Court for divorce. This is compared to a total of 716 for 2011. Reasons for this increase include ongoing aftershocks, job losses, increased work hours or one person wanting to leave Christchurch while their partner preferred to stay (Carville, 2012). Other reasons include “life-changing decisions being made on a daily basis, such as housing, insurance and a change of suburbs, communities and schools” (Carville, 2012).

**Business Recovery**

The earthquakes of 2010 and 2011 have altered Christchurch in many ways not only causing physical changes in the landscape of Canterbury and disruptions in the lives of those living in Canterbury but it has also had an economic effect.

While a number of industries in Christchurch have seen an increase in employment other industries have suffered a major decline. The construction, primary, transport and utilities sectors have seen employment opportunities rise while employment in industries such as telecommunications, finance, real estate, administration and recreation services has decreased dramatically (see figure 2) (Department of Labour, 2011).
Figure 1: The net impact on workplaces that have been affected by earthquakes by industry. (Source: Department of Labour, 2011).

Figure 2 shows the revenue bar across all industries. As shown, the earthquake affected all sectors in terms of revenue except for the construction and hospitality sectors. The main factor that led to negative revenue was the loss of customers in those industry sectors.

The earthquake of 2010 and 2011 damaged commercial buildings in Christchurch CBD, forcing many employers to find new locations for their businesses in order to keep operating. Some businesses were able to re-establish in a new location. While small businesses had the flexibility to move to a new location, for others, it was very hard to move and relocation was not an option. Factories with large and expensive machinery (for example, The Marmite factory – see below) have had more difficulty in re-locating and re-starting production.

In March 2011, the unemployment rate in Christchurch was 6.4 percent. One year later, in March 2012, the rate fell to 5.5 percent and by June 2012, the unemployment figures rose again to 6.5 percent in Canterbury due to slow economic growth in the country and the financial troubles in European countries that made employers cautious about hiring staff (CareersNZ, 2012).

Because of the need for rebuilding in Christchurch, the number of people employed in the construction sector in Canterbury rose to 28 percent with about
32,800 employees in the construction sector. The number of employees is expected to grow by the end of 2012 and more in 2013 (CareersNZ, 2012).

The Marmite Case

Marmite is regarded by New Zealanders as a Kiwi essential.

It's been two long, cold months as New Zealanders continue to scrape by on the dregs at the bottom of the Marmite jar….News of the Christchurch Marmite factory's demise sent the country into a spin in March (Kirk, 2012)

In November 2011, The Marmite Company in Christchurch was closed due to a crack in the cooling tower that was caused by the 2011 February earthquake. Shortly after closure, supermarkets announced that they were short of stock due to the “Marmegeddon” or the panic buying of marmite jars in supermarkets. The shortage also led to a plea to the nation to only use Marmite on toast because it spreads more thinly, until the factory starts up again (Manhire, 2012). Many jars of Marmite were listed on the online auction website Trademe, for both new and used, leading to the dubbing of Marmite as the “black gold”. The retail price for a 250g jar in the supermarket is normally $4.25, but sellers took advantage of the shortage and were asking for $800 per jar.

The company was expected to re-open and resume production in July 2012, but due additional structural damage at the factory, the re-opening was postponed to October 2012 (Donnell, 2012). More than sixty staff were sent home in November and are awaiting the resumption of production (TVNZ, 2012).

Christchurch City Central Recovery Plan

The Christchurch City Council (CCC), in accordance with the Canterbury Earthquake Act (CER Act, 2011), required the development of a draft recovery plan for the Central Business District of Christchurch. Upon completion the draft was presented to the Minister for Canterbury Earthquake Recovery, Gerry Brownlee, who stressed that the plan could not be approved without amendments (Christchurch City Council, 2012).

The management of the Recovery Plan was passed to a special unit called the Christchurch Central Development unit (CCDU) established by the Minister. The Recovery Plan was finalized in July 2012 and CCDU will direct its
implementation, working together with the City Council, Te Rūnanga o Ngāi Tahu and other key stakeholders (Christchurch City Council, 2012).

During the plan development process, advice on proposed plans was sought from different community groups and organizations, with over 106,000 ideas being submitted (CCDU, 2012). According to the Minister for Canterbury Earthquake Recovery, Gerry Brownlee,

International examples show that it is important to have a broad and flexible plan to guide development and to listen to the voices of the people (2012, p. 4).

The Plan’s proposals are in line with international benchmarks for a major city and make the most of the opportunity to revisit the city’s design. In support of the already powerful Canterbury economy, the Plan also commits significant resources to develop central Christchurch into a vibrant, well-formed centre that responds to the needs not just of our generation, but also of those that follow. A well-formed and vibrant city centre produces economic and social benefits by bringing people together for business, cultural or social activities. The result is greater productivity, connectedness, development of human capital, sharing of ideas and a shared identity (2012, p.3)

The new city concept is the “development of a greener more accessible city with a compact core and a stronger built identity” (CCDU, 2012, p. 7). The plan includes new projects, each with their own distinctive feature, to enhance investments, growth, and social energy to bring people back to the central city. The Christchurch Central Recovery Plan has a range of commercial and residential development opportunities with a high quality urban space.

The Canterbury Earthquake Recovery Authority is the leading agency of the project with the help of the community’s vision. The new Recovery Plan and the proposed projects reflect the community’s wishes to replace facilities that have been destroyed during the two earthquakes, and enhance more development to attract people in order to revitalise urban life on Christchurch (CCDU, 2012).

The main aim of the Central Recovery Plan is to foster opportunities in the Central City for business benefits and demands for attracting investment to Christchurch. Both the Central and local governments will have the role of restoring confidence in Central Christchurch by relocating their offices to the city centre to attract more businesses by providing guaranteed demand.
The Canterbury Development Corporation (CDC) and the Canterbury Employers’ Chamber of Commerce (CECC) formed a group called the Recovery Canterbury, which is responsible for responding to any identified needs of the business community in Canterbury. The New Zealand Government acknowledged the work of Recovery Canterbury, and granted funding of $2.5 million. The Government also gave $1.7 million for the appointment of additional Business Recovery Coordinators (Walker, 2011). Some of the activities that have been carried out by Recovery Canterbury include the establishment of a dedicated call centre for business, the formation of a website as a 24/7 advice centre, the registration of over 4000 companies via the website for regular updates and coordination of controlled access to business premises inside the cordoned CBD area (Recover Canterbury, 2011).

**Discontent**

Many residents in Christchurch are feeling dissatisfaction with the recovery operations given that it has been more than one year since the devastating 2011 quake. On-going drama with insurance settlements and rebuilding issues are the leading factors causing discontent for Christchurch residents. Many residents are still battling with insurance companies to get their homes repaired. This “merry-go-round” with the insurance companies is driving people on the streets to express their anger and frustration (Dally, 2012).

On the 8th of August 2012, some 100 disgruntled residents from the TC3 green zone (Shown in blue in map 4 above), braved the rain and rallied in the streets to vent their frustration at the communication issues and delays in getting their homes repaired by the Earthquake Commission (EQC) and the Insurance Australia Group (IAG). Wider Earthquake Communities Action Network (WeCan) spokesman, Mike Coleman, said the weather was "a bit like living in your homes - wet, damp, cold, unhealthy" (Dally, 2012).

The protesters were met by the EQC Chief Executive Ian Simpson and Customer Service Manager, Bruce Emsom who took the blame for their ineffective communication. Simpson assured the residents that he would speak to the leaders of the company and look at better options (Dally, 2012).
IAG insurance company had its front doors closed, but four representatives addressed the angry protesters. Chief Executive of the IAG group, Jacki Johnson, told the crowd that the company does care and wants to hear what the issues are. She urged the crowd to fill out forms given out by IAG in order to do a follow up with their issues (Dally, 2012).

For the rebuilding recovery in the green zones, Canterbury residents frustrated by the lack of action on the recovery process held a protest on Saturday the 1st of September 2012. Before the protest, organizer Darla Hutt claimed that those affected by the quake were not being heard by officials (McDonald, 2012). According to Hutt (2012) “It's been two years and people are still struggling. They are reaching out, but nobody is hearing them” (p. 1). Hutt stated that her home and other residents houses in technical category 3 (shown in map 3 above) were not fit for the cold weather and would not survive another winter (McDonald, 2012). Hutt stated that “There was the 100-day plan for the rebuild of the central city; where's the 100-day plan for the people?” (2012, p. 1).

More than 300 protesters holding brandished placards marched the streets towards an empty lot beside Christchurch council headquarters, demanding answers from the Earthquake Commission, CERA and insurance companies (Newstalk ZB, 2012). The protesters wanted insurance companies to provide them with a firm timeframe as to when their homes would be fixed.

Other frustrations in Christchurch include the increase in the insurance premium rates and the costs of renting a property. For most rentals in Christchurch, homeowners have properties not earning any money due to earthquake damage and red tape and yet have to cover mortgages and other property cost.

For the insurance premium rates, the costs have gone up due to the fact that insurance companies passed some of their claims-risk on to big international reinsurance companies. These reinsurers had excessive numbers of claims and raised their fees to local insurers. Local insurers in Christchurch have passed the higher premiums on to consumers (Consumer, 2012). The earthquake has so far created $15 billion worth of insurance claims, making it the insurance industry’s third costliest natural catastrophe after Japan’s Tsunami and the floodings of Thailand and Australia in 2011 (Consumer, 2012).
Other groups that felt discontent and neglected were the elderly. In a meeting that was held on the 1st of May 2012, with CERA’s manager, Roger Sutton, the elderly residents spoke of how they had been “totally neglected” and left on the “bank burner, completely in the dark” (Carville, 2012). The elderly citizens of Christchurch called for urgent attention to those living in damaged homes and suffering from health problems. They argued that the elderly should be prioritized and many of them feared that they would be dead before their houses were repaired (Carville, 2012).

The meeting organizer, John Patterson, pointed out that it was time for officials to listen and said “we keep getting told we have got to be patient, unfortunately, time is not something we can spare” (Carville, 2012). Patterson criticised the city plans and said “people’s homes are more important than office blocks, convention centres and cathedrals even” (Carville, 2012).

According to a news article published in ‘The Press’ Website, there were a number of factors that slowed down the pay out process by insurance companies. IAG Head of Recovery, Dean MacGregor, maintained that the slow residential settlements were because of the complexity of the residential claims (Steeman, 2012). In October, 2012 a number of centres have been set up by the Earthquake Commission to process earthquake insurance claims.
CHAPTER SEVEN

DISCUSSION AND CONCLUSION

Historically, both countries developed quite different approaches to social welfare, with New Zealand progressively adopting a “welfare state” and the United States promoting a culture of individualism and self-reliance towards welfare. However, in the last thirty years, with the era of neo-liberal economics and the third way, New Zealand has moved, at least ideologically, much closer to that of the United States.

While both the United States and New Zealand policy regimes, according to Esping-Andersen, fall under the “liberal category” (1991), the United States stresses the intensive use of means tested (residual) welfare and private market based insurance (Myles, 1988) while New Zealand social policy is based primarily on a mixture of residualist and rights-based models (Boston, Dalziel & John, 1999).

The difference between the ‘residual’ and ‘institutional’ welfare described by the British social researcher Richard Titmuss, comes close to what is traditionally understood by liberal social policy: public intervention occurs only after the two traditional sources of support – family and market – break down (Myles, 1988). According to Gosta Esping-Andersen (1999), “The United States epitomizes liberalism, yet, the Social Security pension scheme has a broad coverage and benefits that approach adequacy levels” (p. 88). Public assistance in the United States has an extensive set of means-tested benefits, arranged in a hierarchy of acceptability and stigma (Hill, 2006). New Zealand holds a selective welfare system and all benefits are means-tested (Hill, 2006). The welfare state benefits are modest and targeted, and conform to the residual welfare model (Castles & Mitchell, 1993; Castles, 1996).

However, New Zealand has progressively moved towards different forms of targeting via user pays that has impinged upon the universality of key forms of welfare and introduced tighter eligibility for many forms of assistance and cuts to services that were formally tax-funded (Boston, Dalziel & St John, 1999) although this notion may not be accurate in terms of health and education.
(Bryson, 1992; Esping Andersen, 1990; Jamrozik, 1994). But as access to state assistance narrows (and results in long hospital waiting lists), people opt out of public assistance and choose to go with private insurance. The neo-liberal concept of individual responsibility which has been a hallmark of United States ideology is increasingly becoming an acceptable social policy approach in New Zealand.

With the understanding that both the United States and New Zealand fall under the liberal welfare regime in Esping- Andersen’s typology, the response to the earthquakes in New Zealand was quicker and more efficient than the response to Hurricane Katrina in the United States. This is because the United States places more emphasis on individualism and self-reliance than New Zealand although the latter is moving towards that kind of trend. What I believe and argue is that, when a disaster strikes in the United States, the government will ask ‘what can you do to help yourself before I help you?’, whereas in New Zealand, the government will ask ‘how can I help you?’.

**Conclusion**

In every nation with limited or no warning, disasters can strike anywhere, any time and in any form (tsunami, earthquake, hurricanes, terrorism, etc.). They usually result in multiple fatalities, mass panic and irreparable damage to houses and infrastructure. They often have long-lasting political, economic and psychological effects, as in the case of Hurricane Katrina in the United States and the two Christchurch earthquakes in New Zealand.

In terms of awareness and preparedness, both countries have adopted similar strategies in dealing with disasters, like formulating disaster plans, conducting emergency response drills and exercises (for example, the first New Zealand Shakeout on the 26th September 2012) and providing training for disaster responders and the general public to improve their understanding on how to react during a disaster. In the United States According to Tierney, Lindell & Perry (2001),

> The preparedness process begins with hazard and vulnerability analyses that attempt to anticipate what problems are likely to occur and proceeds with the development of ways to address those problems effectively (p. 27).
The main goal is for households, businesses and government agencies to develop strategies on how they will respond to the disaster. In New Zealand, under the Civil Defence Emergency Management Act 2002, individuals and the community are urged to take responsibility for their own safety by being self-reliant and prepared for a disaster (CDEM, 2002).

Although both New Zealand and the United States adopt the ‘liberal’ typology in different ways, they both view the individual as responsible for being prepared for any kind of disaster, and the readiness to respond will be based on their preparations for an event. This includes having a prepared plan, storing food, obtaining emergency equipment and supplies, and having knowledge in first aid training.
References


Crowley, S. (2005). Where is home?. In C. Hartmen & G.D. Squires (Eds.), *There is no such thing as a natural disaster* (pp. 121-156). New York: Routledge.


http://www.stuff.co.nz/national/christchurch-earthquake/4860291/Christchurch-earthquake-victim-identified


NFHA. (2008). *The future of fair housing: Report on the national commission of fair housing and equal opportunity.* Retrieved from the National Fair housing Alliance website:


Perry, J. (2006). Fair Housing Centre files suit against ST. Bernard Parish; news conference to be held at 1:00 P.M. today. Retrieved from the Greater New Orleans Fair Housing Action Centre website: http://gnofairhousing.org/10-03-06-StBernardsuit.htm


U.S. Congress. House. Select Bipartisan Committee on Hurricane Katrina, 109th Congress, First Session, December 14, 2005 (testimony of Ray Nagin, Mayor of New Orleans)


