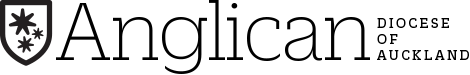
**September 2017**

[](http://www.auckanglican.org.nz/)

**Do Justice!!**

**“Do Justice, Love Kindness and Walk Humbly With Your God” Micah 6:8**

**A Newsletter on Social Justice Issues**

Welcome to the September 2017 edition of Do Justice. This newsletter, prepared by Auckland Diocesan Social Justice Group, looks at various Social Justice Issues.

**Increases in Income Tax a thing of the past.**

If one can believe what you read in the news media, particularly the financial pages, any political party that advocates an increase in income tax rates is doomed. The income tax system is no longer seen as a progressive way to address the gross inequality that we see in many developed countries. But wait a minute in July the Seattle City Council actually introduced an income tax on high earners. In the USA each level of government – Federal, State and Local are free to levy any type of tax they believe necessary to provide funds for the services they provide for their people.

In July, the Seattle City Council passed a bill, now a law that places a 2.25% tax on individual incomes over $250,000 for individuals and $500,000 for married couples. It’s expected to raise as much as $175 million to fund affordable housing, education, transit, human services, and other critical needs.[[1]](#footnote-1)

The Seattle Mayor, Ed Murray, declared, “Our goal is to replace our regressive tax system with a new formula for fairness, while ensuring Seattle stands up to President Trump’s austere budget that cuts transportation, affordable housing, healthcare, and social services.”

How refreshing! Not that it could happen here as the NZ Government holds tightly onto all forms of taxation except rates. Maybe one day a Government will have the foresight and guts to allow Councils such as Auckland, which has a population twice the size of Seattle, to make taxation decisions locally.

**Doughnut Economics – a comprehensive approach to Economics.**

In May we included a review by George Monbiot in the Guardian[[2]](#footnote-2) of KateRaworth’s *book* [***Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist***](https://bookshop.theguardian.com/doughnut-economics.html)*.* Now thanks to Auckland Public Libraries, we have had an opportunity to read the book.

Early in the book Raworth challenges the broad assumptions that nearly every country seems to make, that economic growth as measured by Gross Domestic Product (GDP) is essential. She comments *“For over 70 years, economics has been fixated on GDP or national output, as its primary measure of progress.* ***That fixation has been used to justify extreme inequalities of income and wealth coupled with unprecedented destruction of the living world.*** *For the 21st century, a far bigger goal is needed: meeting the human rights of every**person within the means of our life-giving planet. And that goal is encapsulated in the concept of the Doughnut. The challenge now is to create economies – local to global – that help to bring all of humanity into the Doughnut’s safe and just space. Instead of perusing ever-increasing GDP, it is time to discover how to thrive in balance.*

Raworth explains that the “safe and just space” is between the Ecological Ceiling and the Social Foundation. The Ecological Ceiling incudes:

* Climate change
* Ocean Acidification
* Chemical Pollution
* Nitrogen & phosphorus loading
* Freshwater withdrawals
* Land conversion
* Biodiversity loss
* Air pollution
* Ozone layer depletion

Any of these is a potential threat to the “liveability of our earth.

The Social Foundation includes:

* Food
* Water
* Health
* Education
* Income and Work
* Peace and Justice
* Political Voice
* Social equity
* Hosing
* Gender equality
* Networks
* Energy

All of these can and do have a significant impact on our ability to sustainably life on this earth. Year in year out economic exponential growth is not possible within a closed system such as we have on earth. It is a sure route to disaster. Raworth comments “*This century needs economic thinking that unleashes regenerative design in order to create a circular – not linear – economy and restores humans as full participants in Earth’s cyclical processes of life.*

So why is growth treated in such a way that to criticise it is considered a heresy? Why does the communique by those at the annual G20 conference contain a pledge to grow their economies by X%? Even 2% annual global grow is not sustainable but any less appears to be beyond the comprehension of our world leaders.

Regrettably, the Election Campaign is likely to come down to a bidding match between the major pollical parties on who can grow the New Zealand economy faster. How can we increase the amount of milk we produce, increase the number of tourists that visit Aotearoa and so on?

We are also likely to hear how political parties will clean up our rivers (maybe at the same time promising to increase the number of milking cows), build more roads, reduce carbon dioxide emissions, and ensure that the economy continues to grow. And we will vote on which we believe to be the most important for us despite the obvious contradictions.

Instead, would it not be great if we had a party with a vision for a sustainable economy, one where we recycle as many of our throw-a-ways as possible, a balanced economy in which everyone has an income sufficient to live in dignity, a house that is warm and dry and affordable, a society that is just and fair for all New Zealanders not just for those who can afford it? A broadly equitable society such as we had some 30 years ago, with no one 519 times richer that the average person.

**Wall Street reaches a new record again**.

Over recent weeks both the Wall Street indices and our own NZ Stock Exchange have reached record highs. What does this really mean and who benefits?

According to the financial commentators there are many reasons why the Stock Market goes up. Some are financial, firms are making higher profits; some are political – the NY Stock Market had gone up 3,000 points, about 14% since Donald Trump was elected American President, some are emotional – people wanting to get on the seemingly endless increase in stock market prices forgetting that what goes up sooner or later will come down. Another factor is that a particular national economy is “growing” and the local stock market will reflect this growth in GDP. But, as has been talked about above, continuous exponential growth has definite limits on planet earth.

But surely the higher the stock market goes the better it is for everyone? The economy is growing and the country is prosperous. Everyone gains. This sounds a bit like the trickle-down argument for favouring the rich in taxation decisions. Is this really the case? If so, why do we have so many people homeless, why so many children living in poverty? Why do we have one of the largest differences in the developed world between the 1% richest and the 20% poorest?

The high stock market does benefit the rich and it is the richest 1% who own most of shares owned by New Zealanders. Many shares in New Zealand public companies are owned by Kiwi Saver providers and other investment organisations. There are just over 2.6 million New Zealanders in Kiwi Saver representing about 73% of the under 65s in the country, approximately 1.1 million, who are members, are not regular contributors.[[3]](#footnote-3) So, at least the regular contributors must benefit from record share prices but how are they benefiting compared to the Super Rich?

The total assets in the various Kiwi Saver Schemes at 31 June 2016 were $33.8 billion which is an average of $12,989 per member. Compare this with the $80 billion owned by the richest 208 New Zealanders, an average of $384 million each, much of which is invested in the share markets around the world.[[4]](#footnote-4) So, who gains when the stock exchange hits a new high? The average person with around $12,000 invested or the 208 richest New Zealanders. The richest 208 benefit immediately, the average Kiwi Saver a long time in the future as long as there is no Stock Market crash in the meantime.

In an interesting article by Brian Fallow in the NZ Herald on Friday 11 August he comments “The *increasing dispersion of incomes after housing costs has not all occurred under the National-led Government, however. It has been going on for 20 years. But the top decile has been pulling away from the rest particularly swiftly on National's watch.”* In other words, the Rich continue to get Richer and the Poor poorer. Brian Fallow concludes with “*Zero growth over four years in what has to be foundation of any sustainable gains in living standards is not encouraging. Nor is it a record the Government can boast about.”[[5]](#footnote-5)*

So much for the “**Rock Star Economy**”.

**UP COMING EVENT**

**Electoral Forum Thursday 14 September 2017 7-9pm St Columbia Centre 40 Vermont** **Street, Ponsonby.**

Organised by the **Catholic** **Justice & Peace Commissions** with representatives from the main political parties.

1. <https://www.counterpunch.org/2017/07/19/how-seattle-voted-to-tax-the-rich/> [↑](#footnote-ref-1)
2. <https://www.theguardian.com/commentisfree/2017/apr/12/doughnut-growth-economics-book-economic-model?CMP=Share_iOSApp_Other> [↑](#footnote-ref-2)
3. https://public.tableau.com/views/KiwiSaverTrendsReport2016/KiwiSaverTrends?:showVizHome=no [↑](#footnote-ref-3)
4. NZ Herald 25th July 2017 page B3 [↑](#footnote-ref-4)
5. http://www.nzherald.co.nz/best-of-business-analysis/news/article.cfm?c\_id=1501241&objectid=11901921 [↑](#footnote-ref-5)