

Talking Cents

August 2017

Talking Cents is an ecumenical group charged by the Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry units are encouraged to distribute these articles. This article is contributed by Mary Betz, Catholic spiritual director and writer on ecology, justice, scripture and spirituality.

Seeing the forest as well as the trees: towards the 2017 election

There are many issues that should be significant ones in the upcoming September general election. For example, a judge-friend recently told me how an offender begged to be sent to prison despite an opportunity for staying out: in prison he would be off the streets and relatively safe, have three meals a day, a warm bed, an issue of new underwear, and a chance to wash. What has gone wrong here? Could it be insufficient low-cost housing, benefit levels impossible for people to live on, and a benefit system designed to keep people off even low benefits rather than ensuring that they have what they need to live?

We could also look at the Corrections system. Despite new therapeutic courts for accused with addictions, our prisons are still full of offenders with addiction issues, the long-term unemployed, mental illness sufferers and low education achievers. Despite spending of \$100,000 per annum per prisoner, Corrections funding and staffing is insufficient for necessary literacy, educational and training programmes, or treatment for addiction and mental health issues. We seem to have gathered an increasingly large segment of our poor and vulnerable population, and incarcerated them without giving them what they need to live meaningful lives. Then we release them without the necessary support to find housing, jobs and a different life. Well-supported community-based alternatives are needed.

The media has kept some issues in front of us: homelessness, street-sleepers, twenty-plus people sharing a single house, families living in cars – or renting garages at exorbitant cost, still-increasing house prices. In June, the number of people waiting for state housing reached 5353.¹ With emergency housing full, the Ministry of Social Development has spent millions housing people in motels, while up to 2500 state houses have gone empty² – at least some of which would have been

suitable for temporary housing. Government is dismantling the state housing programme, even though its own research has shown its long term benefits,³ and the overinflated land and housing market is in need of regulation.

Perhaps surprisingly to some, 52 percent of those without homes are either studying or working.⁴ Like others on low incomes, their employment is usually for the minimum wage and often part-time, necessitating more than one job per adult to support a family. Parents come home exhausted and unable to take part in family or community life. Is there not a responsibility on the part of government and employers to provide jobs that are structured better for family life and pay enough for families to cover their basic needs? In April, the minimum wage increased to \$15.75, but the amount needed to cover the necessities of living was calculated in July by the Living Wage Movement as \$20.20.

In many poor homes, heating is off and families sleep together in the living room to keep warm. Many families have incurred significant debt (often at crushing and immoral interest rates) to pay for the basics or school/sport activities for their children. Because most of the income goes for rent and transportation to work, there is little left for good-quality food like fruit and vegetables, much less doctor's visits. Hospitals are overflowing this winter with people who haven't been able to afford to see their doctors for what seemed like minor respiratory ailments, so go to A&E when things get dire. What initially would have called for a script and a rest becomes a serious, sometimes life-threatening illness requiring a hospital stay, and puts further pressure on an already underfunded health system. (And how many of us know some of the hundreds of thousands waiting for so-called 'elective' surgeries, with similar numbers thrown off waiting lists?) Beside this is the woeful inadequacy of our

¹www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11842084

²<http://www.scoop.co.nz/stories/PA1702/S00189/hundreds-of-state-houses-empty-during-housing-shortage.htm>

³<https://siu.govt.nz/our-work/social-housing-test-case-2/>

⁴<http://www.stuff.co.nz/national/83605914/More-than-half-of-New-Zealands-homeless-are-working-or-studying-new-research-finds>

mental health system, in which people often have to wait weeks or months for appointments, and often can't get them until they have already tried to end their lives.

2017 storms and flooding have caused more than a dozen weather-related states of emergency – about equal to the entire previous decade. While there are 'bad years', NIWA⁵ warns that climate change will bring more intense storms, and that our infrastructure and patterns of settlement make our population very vulnerable. We seem to be doing little to mitigate impacts happening already, much less plan for increased sea-level rise and erosion, or do our part to stop the carbon emissions that are a major cause of such woes.

Each issue mentioned above might be thought of as a tree, however healthy or sick, in a forest. This forest is like our country's stance toward responding to people's needs and planning for our common good. But wait, DOES our country actually plan for the good of all and to meet the needs of its people?

When I first heard about the government policy of social investment, I thought it would involve government planning for the long term, including encouragement of the private sector, for all the 'trees' described above which weren't doing well.

But how the government actually defines social investment is: 'using data and evidence to improve the lives of New Zealanders by investing in what is known to create best results'.⁶ The article later mentions investing to enable long-term thriving and says that people are at the centre. But the main thrust indicates that it is a *method* – and it is reasonable as a method – *but we need a vision* toward a thriving New Zealand. Such a vision would have respect for and wellbeing of people and the environment at its core. Policies would ensue from that vision, ensuring adequate homes, health care, incomes (from stable jobs, or benefits where necessary), education, and time with families and communities – all of which uphold the dignity of each person.

Since the 1980s, New Zealand has made 'growing the economy' its goal. But rather than putting the economy to work for the wellbeing of all people, it has been made to work for the affluent. Taxation rates on the wealthy were halved⁷, wage rates were

driven down, unions weakened (eg, through the Employment Contracts Act), and benefits were slashed by up to 25 percent⁸. Over the past thirty years, our country has been engaged in 'trickling up' its wealth to the wealthiest.

The January 2017 Oxfam report showed that two individuals in New Zealand own more wealth than our poorest 1,380,000 people. The richest one percent of our population holds twenty percent of its wealth, while ninety percent of us own less than half of the nation's wealth. Over a third of the wealthiest New Zealanders (those worth more than \$50 million) declared incomes of less than \$70,000.⁹ It is not only the poor who have suffered: an OECD report showed that New Zealand's unprecedented growth in inequality reduced the country's economic growth over twenty years by a third.¹⁰

Oxford economist Kate Raworth has proposed rewriting the aim of the OECD from economic growth to 'creating regenerative and distributive economies that enable humanity to thrive, whether or not they grow'. Her vision involves recognising that people can be generous as well as greedy, and that the notion of success should not be money, but meeting everyone's needs.¹¹

Changing the presently accepted economic paradigm implies changes from policies that put economic growth first to those which meet the needs of people and our earth. It means legislating for the common good – including redistribution of wealth – through internalisation of social and environmental costs; readjusted income, wealth, and capital gains taxation; and a system of basic or guaranteed income, or adequate benefits. In this way our environment will continue to support us, and our poorest and most vulnerable citizens will be enabled to live with opportunity and dignity.

As we prepare to vote in September, we will review our political choices with many issues in mind – critical ones about the needs of the 'trees' in the forest. But it is also to important think about the 'forest' itself, which needs a radical change in orientation and worldview. That is, of course, *if* we truly believe that respect for people and our earth must come before economic growth, which has so insidiously become our idol.

⁵National Institute of Water and Atmospheric Research: <https://www.stuff.co.nz/opinion/95025910/weather-in-2017-keeps-emergency-responders-busy>

⁶ <https://siu.govt.nz/about-us/what-is-social-investment/>

⁷ <https://teara.govt.nz/en/taxes/page-7>

⁸ <http://www.caritas.org.nz/sites/default/files/Unravelling%20of%20the%20Welfare%20Safety%20Net%202008.pdf>, p13.

⁹ <https://www.oxfam.org.nz/news/just-eight-men-own-same-wealth-half-world>

¹⁰ <https://www.theguardian.com/business/2014/dec/09/revealed-wealth-gap-oecd-report>

¹¹ <https://www.kateraworth.com/2017/07/14/for-21st-century-progress-pick-your-paradigm/>