

Do Justice!!

"Do Justice, Love Kindness and Walk Humbly With Your God" Micah 6:8

A Newsletter on Social Justice Issues

Welcome to the May edition of Do Justice for 2018. This newsletter, prepared by Auckland Diocesan Social Justice Group, looks at various Social Justice Issues.

Universal Basic Income. Has its time come?

Over recent time there has been much discussion about the shape and practicality of introducing a Universal Basic Income (UBI). Professor Guy Standing, who has visited New Zealand several times, last year wrote a book *Basic Income: How Can We make it Happen*.¹

Governments providing a Basic Income to citizens is not a new idea. Pericles and Ephialtes first introduced it in Athens in 461BC only to have it overthrown following an oligarchic coup some years later. Giving the "plebeians" any power was a threat to the elite even then. Nothing much has changed.

Nearly 2.000 years later Sir Thomas More in his book *Utopia* described a society with a basic income. That was in 1516CE. Over the last 500 years a number of well-known philosophers and thinkers have promoted the idea of a Basic Income as a means to address poverty and gross inequality. Martin Luther King Jnr, assassinated just 50 years ago, wrote *"I am convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income..."*

Standing defines UBI as *"a moderate amount of money paid unconditionally to individuals on a regular basis (for example monthly)"*. Standing then goes on to define what a UBI would look like. He then justifies the UBI from a Social Justice perspective then a Freedom perspective and as a way of reducing Poverty, Inequality and Insecurity.

Support for a UBI comes from across the political spectrum although the motivations behind the support may differ. Although the "purists" do not see the UBI as replacing our existing complex and often unfair welfare and benefit system, it would certainly be possible if the UBI was high enough.

Standing looks at most of the objections to introducing a UBI, including the cost, and counters the arguments based

on a significant number of pilot studies undertaken over the last 40 years in both developed and less developed countries ranging from Canada to India.

One of the most compelling arguments for a UBI is that it successfully addresses the "poverty trap" where someone on a benefit who gets a low paying job could experience a marginal rate of tax of as much as 80%. In New Zealand there is a desperate need to reform much of our benefit system that effectively provides subsidies for employers and landlords including Working for Families and Accommodation Allowances. Replacing these broad benefits with a UBI and at the same time introducing some very targeted benefits for those with disabilities would go a long way to eliminating poverty and reducing the inequality in our society.

How much should a UBI be? The Basic Income Earth Network (BIEN), which was founded in 1986 and of which Guy Standing is a founding member, has affiliates in every continent, including New Zealand. It passed the following resolution at its General Assembly in Seoul in 2016, stating that:

"A basic income is stable in size and frequency and high enough to be, in combination with other social services, part of a policy strategy to eliminate material poverty and enable the social and cultural participation of every individual. We oppose the replacement of social services or entitlements, if that replacement worsens the situation of relatively disadvantaged, vulnerable, or lower-income people".²

In New Zealand the Labour Party included in its 10 Big Ideas:

"Ensuring greater income security – through investigation of new models of income security for New Zealand, including considering a limited trial of a universal basic income-type system in a town or region".³

It will be interesting to see when the new Government sets up the trial and in what town or region.

¹ Pelican Books 2017. Available from Auckland Public Libraries.

² <https://www.counterpunch.org/2018/04/06/universal-basic-income-left-or-right/>

³ http://www.labour.org.nz/ten_big_ideas

Don't forget that we already have a version of UBI in New Zealand, but it is restricted to New Zealand citizens and residents over 65 years old who have been in New Zealand for at least 10 years – the NZ Super. Interestingly, the NZ Super is the easiest and cheapest “benefit” to administer and distribute as it is universal and distributed easily through the banking system. The current rate of New Zealand super could be a starting point for a UBI. But only a starting point, as the current amount of NZ Super appears to assume that recipients have a mortgage free home of their own, something that in the future is going to be less and less the case.

What do Trump, May and Macron have in common?

In recent days we have seen the leaders of the USA, UK and France collaborate in attacking the alleged chemical weapons development and manufacturing facilities in Syria following strong allegations that the Syrian Government used chemical weapons in the attacks on the Douma region close to Damascus.

Since the use of chemical weapons by the Syrian Government back in 2011 and the subsequent destruction of all Weapons of Mass Destruction (WMD) by the Syrian Government, and verified by Russia, there have been several incidents in the ongoing Syrian Civil War where chemical weapons, mainly chlorine gas not covered by the Treaty banning WMD, have been used. Only once did Trump react when he authorised the firing of a number of missiles against an airfield in Syria. And that was at the time when Trump was under considerable domestic pressure on a number of fronts. But both the UK and France had other things on their minds and did not join in.

So what is different now? Trump is under enormous pressure domestically, both from the Special Prosecutor looking into links between the Trump election campaign and Russian interference in the 2016 election and from his own supporters who are not seeing many, if any, real benefits from his Administration. Plus developing scandals involving porn stars.

May is also under enormous pressure as she tries to lead a divided party to Brexit knowing that if the Conservative Party splits and a general election is called her chances of winning, assuming she is still Prime Minister, are small. She recognises the need for distractions and the Salisbury attack on two Russians has been timely. A missile attack on Syria, a Russian ally, is just too good to miss. Possibly this is May's Falklands!

And what about Macron? For a nearly a year Macron has been trying to introduce major neoliberal reforms with little success despite a large majority in the French Parliament. He has come up against determined opposition from the trade unions who, unlike unions in the UK, NZ and the USA, have not been weakened to the point where they cannot actively oppose policies that are a danger to their members. France is on the verge of major civil unrest if Macron continues his attempt to undermine labour. A foreign distraction is always attractive in such circumstances.

The danger is that in striving to divert attention from their domestic problems the three leaders could go too far and provoke a military reaction from Russia. Let us pray that there are still wise heads in Washington, London, Paris and Moscow.

Doing something about climate change.

The Government's decision to stop issuing off shore exploring permits for oil and gas has provoked some, not unexpected, reaction. Similarly, there has been a lesser outcry about the decision not to subsidise any more irrigation systems.

Both decisions make sense if we, as a nation, want to become carbon neutral by 2050. In fact the decisions should have been made as soon as we signed the Paris Agreement on Climate Change.

Exploring for more oil and gas makes no economic sense in the light of forecasts that indicate some 80% of known oil and gas reserves will never be needed. Why look for more?

Allowing existing exploration development and extraction to continue in the meantime is probably acceptable, as it does allow a managed transition, unlike the way Margaret Thatcher shut down the coal mines in the UK in the 1980s.

It is unfortunate that the petroleum industry and their allies, including the National Party, have resorted to doom and gloom tactics. These tactics appear to ignore the facts that it will be some 30 years before oil and gas production finishes in New Zealand by which time we should be carbon neutral.

As far as the withdrawal of subsidies for new irrigation project is concerned the question must be asked, “why where they adopted in the first place?”. Over the last 25 years there has been an enormous increase in dairy farms in areas that had historically been crop or beef and lamb farms. The irrigation subsidies have artificially increased the capital value of the farms that converted to dairying without the owners having to pay the hidden environmental costs. Or, for that matter, any tax on their capital gains!!

The government is not outlawing irrigation. Any irrigation project that is financially sustainable and meets environmental standards will go ahead assuming it will show a return to its investors. After all isn't that what a free market is supposed to be?

Addressing climate change is not going to be without pain but for those who have benefited greatly from the environmental mistakes of the past to bear at least some of the costs of moving to a carbon neutral future does not seem unreasonable. After all, as Christians we are taught that we should look after the creation God has given us. Keeping our water clean, using our land wisely and stopping putting green house gases into the atmosphere is looking after creation.