



## Do Justice

*"Do justice, love kindness and walk humbly with your God." Micah 6:8*

### A Newsletter on Social Justice Issues

Welcome to the October edition of Do Justice as we continue to discuss issues of social justice from a Christian perspective.

#### Productivity?

It was interesting to listen to the various comments about the Labour Party proposal to make Matariki a public holiday from 2022.<sup>1</sup> It was welcomed in many quarters; some thought we should drop one of our other holidays; and others opposed the idea because it would hurt small businesses. One of the most interesting comments came from an employer representative, who said that we should not have any more holidays until we improved our productivity, implying that improvements in productivity were the sole responsibility of workers.

The productivity argument is regularly brought out whenever there is a proposal to improve working conditions. We hear it when the minimum wage is increased, when maternity leave is improved, when it is suggested that sick leave days be increased. The argument is that we can only do this if the workers work harder and earn the right to better conditions.

Wikipedia gives a useful, if complex, definition of productivity:

*...the various measures of the efficiency of production. Often, a productivity measure is expressed as the ratio of an aggregate output to a single input or an aggregate input used in a production process, i.e. output per unit of input, typically over a specific period of time. Most common example is the (aggregate) labour productivity measure, e.g., such as GDP per worker. There are many different definitions of productivity and the choice among them depends on the purpose of the productivity measurement and/or data availability. The key source of difference between various productivity measures is also usually related to how the outputs and the inputs are aggregated into scalars to obtain such a ratio-type measure of productivity.<sup>2</sup>*

From this definition it can be seen that improvements in productivity are not just a "worker" issue but involve many other factors that contribute to the final "product" of the activity. And in many cases, it is not appropriate at all. How do you measure the productivity of a doctor or a nurse? Number of patients seen per hour? But every patient is different and will require more or less time depending on their needs. How do you measure the productivity of a politician? Number of laws passed per year? But

what about the quality of the laws! And then how could we measure the productivity of priests!

The concept of productivity originated when large numbers of factory workers were producing "widgets" and the amount of time taken to make the widget depended on the tools and machinery available to the worker as well as the skill and speed of the worker. Productivity has never been solely dependent upon the worker, so to say that changes in public holidays or minimum wages or parental leave should be dependent upon an improvement in productivity is spurious at best.

Productivity is now in the same class as "trickle down" and "GDP" – meaningless terms used by Industry spokespersons and economists to justify the discredited neoliberal market ideology. Where has the "market" been for the last six months of Covid?

If we must have some word to describe worker value what about "contribution"?

#### Forest fires, hurricanes, floods and droughts

There was a time when forest fires, droughts, floods or hurricanes were unusual events and the "once in a hundred or thousand year" descriptor was pulled out by the media. Now they are almost common events. Al Jazeera recently reported on forest fires on the west coast of the USA, floods in the Sudan and Niger, successive cyclones/hurricanes off the Japanese and Korean coasts and in the Gulf of Mexico, plus the impact of the monsoon season in India and China. Our weather is getting more extreme year by year and most world leaders do not seem to be concerned, despite the regularly outcries by scientists about climate change or more accurately the climate crisis.

The 2015 Paris Agreement was seen by many as the start of a process to mediate the impact of climate change. Last year's establishment of the Climate Change Commission in New Zealand was part of our response as a nation to the challenge of climate change. If the weather events of the last 12 months are an indication of what is ahead of us, we need to start taking drastic action now, not in five or ten years' time. We need to move rapidly to 100% renewable sources for electricity; all vehicles being electric or hydrogen-powered including trucks and tractors; complete electrification of the railway network and so on. But most importantly we need to look seriously at how the

<sup>1</sup> <https://www.rnz.co.nz/news/national/425498/support-criticism-confusion-around-matariki-as-public-holiday>

<sup>2</sup> [https://en.wikipedia.org/wiki/Productivity\\_\(disambiguation\)](https://en.wikipedia.org/wiki/Productivity_(disambiguation))

amount of methane produced by the farming sector can be substantially reduced, not by 2050 but by 2030.

The fires, floods, droughts, and hurricanes are just the beginning of the climate crisis; they will only get worse if we do not act, as a country and as a world.

### Today's 30 years' war

The Thirty Years' War from 1618 to 1648 was an argument over religion throughout Europe, resulting in the death of some eight million people. Over the last 30 or so years we have seen a different 30 years' war that has increased poverty and inequality not just in New Zealand but in many other countries. A recent article in *Time* magazine looked at the genesis and results of this war from an American perspective. The article talked about the elephant in the room as follows:

*How big is this elephant? A staggering \$50 trillion. That is how much the upward redistribution of income has cost American workers over the past several decades.*

*This is not some back-of-the-napkin approximation. According to a ground breaking new working paper by Carter C. Price and Kathryn Edwards of the RAND Corporation, had the more equitable income distributions of the three decades following World War II (1945 through 1974) merely held steady, the aggregate annual income of Americans earning below the 90th percentile would have been \$2.5 trillion higher in the year 2018 alone. That is an amount equal to nearly 12 percent of GDP—enough to more than double median income—enough to pay every single working American in the bottom nine deciles an additional \$1,144 a month. Every month. Every single year.<sup>3</sup>*

The RAND Corporation is not a leftist organisation pushing a socialist agenda but one of the first “think tanks” to be established in the USA. It was started in 1948 as a not-for-profit organisation by the Douglas Aircraft Company to provide research and analysis to the US Armed Services.<sup>4</sup>

No similar research has been undertaken in New Zealand but since the Douglas reforms of the 1980s we have followed similar economic and social policies to the United States except, perhaps, in the health area.

In analysing how this change in the USA occurred, the authors showed that:

*On average, extreme inequality is costing the median income full-time worker about \$42,000 a year. Adjusted for inflation using the CPI, the numbers are even worse: half of all full-time workers (those at or below the median income of \$50,000 a year) now earn less than half what they would have had incomes across the distribution continued to keep pace with economic growth. And that's per worker, not per household. At both the 25th and 50th percentiles, households comprised of a married couple with one full-time worker earned thousands of dollars less in 2018 dollars than a comparable household in 1975 —and \$50,000 and \$66,000 less respectively than if inequality had held constant—a predicament compounded by the rising costs of maintaining a dignified middle-class life. According to Oren Cass, executive director of the conservative think tank American Compass, the*

*median male worker needed 30 weeks of income in 1985 to pay for housing, healthcare, transportation, and education for his family. By 2018, that “Cost of Thriving Index” had increased to 53 weeks (more weeks than in an actual year). But the counterfactual reveals an even starker picture: In 2018, the combined income of married households with two full-time workers was barely more than what the income of a single earner household would have earned had inequality held constant. Two-income families are now working twice the hours to maintain a shrinking share of the pie, while struggling to pay housing, healthcare, education, childcare, and transportations costs that have grown at two to three times the rate of inflation.*

Some commentators have suggested that the changes in the American situation are the result of globalisation but, as this report makes clear, other factors caused the changes. As the article explains:

*There are some who blame the current plight of working Americans on structural changes in the underlying economy—on automation, and especially on globalization. According to this popular narrative, the lower wages of the past 40 years were the unfortunate but necessary price of keeping American businesses competitive in an increasingly cutthroat global market. But, in fact, it was entirely within the American economy, not between it and its trading partners. No, this upward redistribution of income, wealth, and power wasn't inevitable; it was a choice—a direct result of the trickle-down policies we chose to implement since 1975. We chose to cut taxes on billionaires and to deregulate the financial industry. We chose to allow CEOs to manipulate share prices through stock buybacks, and to lavishly reward themselves with the proceeds. We chose to permit giant corporations, through mergers and acquisitions, to accumulate the vast monopoly power necessary to dictate both prices charged and wages paid. We chose to erode the minimum wage and the overtime threshold and the bargaining power of labor. For four decades, we chose to elect political leaders who put the material interests of the rich and powerful above those of the American people.*

Although not everything that was done in the USA was duplicated in New Zealand, all the major changes – cutting income taxes, reducing the ability of workers to bargain fairly, monopoly power of some companies, and so on, were enacted here. In 1984 the Labour Government was elected after National's nine years under Robert Muldoon. The changes that the Lange Government made in 1984-87 were not part of the Labour Party manifesto for the election but they set the scene that enabled the following National Government from 1990-93 to finish the reconstruction of New Zealand society, creating the conditions that have caused one of the widest gaps between rich and poor in the developed world.

As we move out of the COVID-19 situation, we need to ask ourselves whether, as Christians, we want to go back to relying on “trickle down” and an even wider gap between rich and poor, or whether we want to rebuild and reshape our society so that all have an equal chance, and everyone can live a life of dignity in warm, dry houses, with enough food on the table, with world-class health and education for everyone. Where we actually do love our neighbour as we love ourselves.

<sup>3</sup><https://time.com/5888024/50-trillion-income-inequality-america/>

<sup>4</sup><https://www.bing.com/search?q=rand+corporation&cvd=ae6eed6cd91444e98320f8ca9b3255a1&pglt=43&FORM=ANNTA1&PC=HCTS>