

PQ Network News

- New representatives for PQ Network Committee from Sinoti Samoa and Vahafenua Tonga

PQ Themes

- Te Tiriti o Waitangi
- Welfare Reform
- Environmental Responsibility / Kaitiakitanga
- Development & Aid

PQ Resources

- Christchurch Methodist Mission news brief
- NZCCSS Inequality project 'Whakatata Mai, Closer Together'

Bills, Legislation, Submissions

- Canterbury Earthquake Recovery Bill
- Marine and Coastal Area Act passed

Methodist Te Hāhi Weteriana Public Questions – Resourcing Responses to Social Issues



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## Public Questions Network News

### Public Questions Meetings

A meeting of the Public questions Committee was held in Wellington on the 28<sup>th</sup> March.

We were delighted to welcome Opeta Amani to join Mataiva Robertson from Sinoti Samoa, and Soana Muimuiheata from Vahafenua Tonga. Opeta is a Social Worker, working at MSD/CYF with experience and expertise in training. Soana is a Dietician with a passion for health and wellbeing.



Soana, David, Betsan Mataiva. Michael at meeting but not in photo

Betsan met the Social Issues committee of Sinoti Samoa and gave a presentation to Sinoti Executive Committee in Auckland March 25 and 26<sup>th</sup>.



PQ Meeting with Sinoti Samoa Executive

### PQ News

**Mary Richardson Update from Christchurch** – and the earthquake recovery. In a phone call Mary spoke about the Methodist Mission approach of sustainable solutions for the long term.

The Methodist Mission are doing the quiet work following on from emergency responses. With schools running two sessions, or 'twinning' normal after school activities are disrupted with the risks of students becoming disconnected.

With the idea of schools as hubs CMM are working to provide wrap around services to link schools with communities and keep students engaged. Mary said 'there's 24/7 youth work. In these circumstances we can't run our regular programmes, we have to be creative.' For example they are running a course on 'How parents use strengths to cope with change'. Counseling support is being provided to all families where there has been a death. As time goes on more people become isolated and mental illnesses often intensify. It is important that local services are supported as these will be there for the long term. An update from Mary is included in the Resourcing PQ's section below.

The Church leaders are proposing a Forum in Christchurch on the 27<sup>th</sup> April for Social Services to express their experience and views about what is needed for the Recovery process. This information will be given to the Deputy prime Minister.

There are moves to support sustainable rebuilding and there is a petition "Tell New Zealand's government: Christchurch rebuild must lead the world in sustainability" The goal is to reach 10,000 signatures. You can read more and sign the petition here: [http://www.change.org/petitions/tell-new-zealands-government-christchurch-rebuild-must-lead-the-world-in-sustainability-2?share\\_source=share-petition\\_em&ue=sei](http://www.change.org/petitions/tell-new-zealands-government-christchurch-rebuild-must-lead-the-world-in-sustainability-2?share_source=share-petition_em&ue=sei)

**Mark Gibson of New Brighton Union and the Living Waters** initiative brings news of a Vigil for Earth this *Passion* Sunday 17<sup>th</sup> April. 1.30-3pm.

The vigil will be a time to share grief for what has happened to the natural environment from the earthquake. With sewage discharge into the ocean people can't swim and kai moana can't be gathered. The previously good condition of aquifers are now treated with chlorine. Trees have been lost and the restorative qualities of the beach are no longer available to swimmers and surfers.

This is a time of lament for the state of the waterways and marine areas. In focusing on destruction what might be the focus for energy in restoration and rebuilding? How might better safeguards be put in place to protect fresh water and the sea?

Mark is using Facebook to bring news of the New Brighton Union Parish recovering from the earthquake. Visit his Facebook site for news and photos.

Note the article by **John Roberts** in the March Touchstone on the **Trans Pacific Partnership**. John is the only Church leader who has joined the campaign against the TTP. He points out that the meetings are held in secret, the proposals are for the benefit of the US, and the TTP will effect ownership of land, Treaty Settlements and may lead to increased privatization of public services and facilities. Free trade is about economic growth and wealth creation. See [www.ttpwatch.org](http://www.ttpwatch.org)

#### **Questions include:**

Can New Zealand withdraw?

What New Zealand laws can be over-ridden by the priority of foreign investor interests?

#### **Climate Futures**

Steady State Economy – is this really important in a rapidly changing world and should this be a focus for ‘God-inspired’ efforts? Andrew Dakers thinks through what it means to ‘walk gently on the earth, care for ecological systems and use earth’s resources responsibly and sustainably in Tui Motu, March 2011.

<http://www.methodist.org.nz/files/docs/public%20questions/tui%20motu%20steady%20econ.pdf>

A question that was constantly raised during the climate Futures forum was ‘how do communities and decision-makers deal with the dynamic uncertainties of severe weather events’? How do we manage the risks? Although we cannot attribute earthquakes and tsunamis with climate change these are making us ask questions about uncertainty and risks, such as the risks of broken sewage systems that mean massive untreated outlets to the sea.

A theme was the need for a collective approach to a future of climate changes. Even if we switched off emissions now it would take many thousand years to return to pre-industrial levels of CO<sup>2</sup> because CO<sup>2</sup> is absorbed very slowly. There will be major effects such as increased poverty, food shortages and migration, changes in agriculture. The greatest impacts are expected to be on vulnerable groups such as the poor and elderly.

There were questions and interest in spirituality and theology for Climate responses. Is Noah and the Flood and the covenant between Noah and God the most appropriate reference from the Christian tradition? Does Lovelock’s thinking of the living earth as Gaia lead to a theology of creation and redemption? If so, what is humanity’s role?

Young people are very active in Climate responses. Australian youth activists donned elephant costume to break into Climate Emissions Trading talks – to be the

*elephant in the room!* In other words, protest against avoidance of the real hard questions.

A benefit of Climate and inevitable Change can be seen as drawing us to renewing our interdependence with earth and the planet. How does this speak to us? What are the world view challenges? How can tangata whenua concepts of a ‘woven universe’ better inform decisions we make as communities and as a nation?

**Question: How do we create a low carbon Heaven’**

**Quote: ‘The Atmosphere is not a rubbish dump. It is a commons’.**

## **Commentary on Welfare Reform**

Dr John Angus, the Children’s Commissioner spoke on Poverty, benefits and work as the road to salvation: the position of Children. John Angus tracks the rise in child poverty with the 1990’s recession and the growth in inequality, with benefit cuts in the 1990’s, and that it is associated with the DPB. It has been somewhat alleviated with Working for Families, but not for those on benefits. Hardship rates for benefit dependent families are much higher.

Angus concludes that parents being in paid employment is a way out of child poverty. This requires, among several measures, improving access to childcare, improving workplace flexibility to accommodate parent responsibilities, and improving in-work career opportunities.

[http://www.occ.org.nz/\\_data/assets/pdf\\_file/0017/8180/CC\\_CentralWgtnRotary\\_05.04.2011.pdf](http://www.occ.org.nz/_data/assets/pdf_file/0017/8180/CC_CentralWgtnRotary_05.04.2011.pdf)

There is widespread discussion and analysis of Welfare Reform. Questions are being raised about pragmatic support for some of the government proposals. Others are

asking whether there will be the financial backing to implement the more constructive aspects of the proposals. With the emphasis on paid work are there job creation policies to match the job seeking requirements. Some people argue that welfare as we have it is unsustainable and ask for transformative proposals (see PQ Lent Study),

An article in the UK Guardian came to light recently, reporting Archbishop Rowan Williams rebuking welfare reform proposals to force people into unpaid work in return for unemployment benefits.

<http://www.guardian.co.uk/politics/2010/nov/07/rowan-williams-unemployed-welfare-reforms>

An article by Trevor McGlinchey called **'The Good, The Bad and the Ugly'** with an analysis of the proposed reforms will be published next week on the NZCCSS website [www.nzccss.org.nz](http://www.nzccss.org.nz) Updates on Welfare Reform will continue as the discussion evolves.

### **Oil Exploration protests**

News of the Te Whanau Apanui and Greenpeace protests against Petrobras Oil exploration have come to the forefront in the last few days. The Stop Oil Flotilla of Te Whanau Apanui and Greenpeace is an alert to the environmental dangers of oil drilling and the risks to coastal areas and communities. An issue behind all this is that Cabinet makes decisions about mining rights, they are not decided through a parliamentary democratic process.

Technically, exploration is in the Exclusive Economic Zone (EEZ) which is outside RMA jurisdiction – and there is not yet legislation governing risk management in the EEZ.

Te Whanau a Apanui is the consultative body for iwi and hapu of the East Coast Bay of Plenty area, and they have not been consulted about the exploration license to Petrobras. While Petrobras has a legal right, Te Whanau Apanui are

raising issues of kiaitiakitanga responsibilities for the foreshore and seabed. Again, the Foreshore and Seabed is under RMA jurisdiction being in the 12 mile zone, and technically the oil business Petrobras is operating outside this area. If there is an accident the Foreshore will be affected – as in the Gulf of Mexico Deepwater disaster. What does this say about our oceans and foreshore jurisdictions?

What protections are needed for marine ecosystems and coastal communities? What are those with Mana Whenua saying?

In the DomPost this morning (14<sup>th</sup> April) the Editorial Opinion makes a strong case for the income potential of oil 'we all enjoy a clean green environment but we also enjoy flat screen televisions, coffee from imported beans and vehicles from Japan... If we wish to continue to enjoy goods from overseas we have to find a way to pay for them.

How do we assess these conflicting situations? Can there be a balance between environmental protection and overseas investment and risk management? What theological positions inform these debates?

<http://www.eco.org.nz/news/164/60/Government-should-stop-deep-sea-oil-drilling.html>

### **Events**

Well done for the widespread celebrations of Neighbours Day on 26-27<sup>th</sup> March [www.neighboursday.org.nz](http://www.neighboursday.org.nz). I new of many households which were taking their cooking to share with their neighbourhood communities.

### **Coming Up:**

**Community Economic Development Conference** 19-20<sup>th</sup> April. Trusts Stadium, Henderson.

<http://www.community.net.nz/communitycentre/events/national/cedconf.htm?region=default>

**Victory Village Forum:** Nelson July 27-29<sup>th</sup> A collaboration between Inspiring Communities, Families Commission and Victory Community Centre. This is an inaugural national forum on family-led and community-centered approaches are a vital underpinning for our sustainable long-term development.

<http://www.confer.co.nz/victoryforum/>

**Environmental Conference:** 'Resilient Environment, Resilient Communities' Environment and Conservation organization Conference, 1-3 July, in Auckland.

<http://www.eco.org.nz/>

## Resources

This month we are featuring the NZCCSS project on inequality, 'Whakatata Mai, Closer Together : Reducing Inequalities. We gave a short introduction to Inequality as a Public Question in the Lent Study. The resource included with this Update focuses on information on the changes that reducing inequality could make in Aotearoa-New Zealand.

Marmot Review, 'Fair Society Healthy Lives. [www.\\*](http://www.*)

'The Good, The Bad and the Ugly' (Monday 17<sup>th</sup> April) in Kete Kupu

[http://www.nzccss.org.nz/site/page.php?page\\_id=258](http://www.nzccss.org.nz/site/page.php?page_id=258)

..... and in NZCCSS Policy Watch

<http://christiansocialservices.blogspot.com/>

NZCCSS March Vulnerability Report:

[http://www.nzccss.org.nz/site/page.php?page\\_id=260](http://www.nzccss.org.nz/site/page.php?page_id=260)

Christchurch Methodist Mission Welfare Reform – reminder:

<http://www.dmm.org.nz/pdfs/welfarereformtruth.pdf>

## Legislation

**Canterbury Earthquake Recovery Bill.** This is to replace the 2010 Act and to provide regulations for CERA – Canterbury Earthquake Recovery Authority. The Bill is to facilitate decision-making by the Minister for the long term Recovery Strategy and to ensure effective community consultation. It says it is to 'enable the planning and implementation processes to be streamlined'.

There has been criticism of rushing the Bill through Parliament without public input, and concern that under the powers granted under the proposed Act mean that any existing laws in the country can be over-ridden until 2016, including laws that are unrelated to the recovery. There are movements in support of a sustainable rebuild of Christchurch

**Marine and Coastal Area Act** passed into law in March.

The new law revokes the 2003 Foreshore and Seabed Act and gives Iwi the right to go to the High Court to determine the extent of their property rights in the foreshore and seabed. Iwi can also negotiate directly with the Crown. There were no changes made to the Bill from the Select Committee process.

## Resourcing Public Questions

### Update from Mary Richardson, Christchurch Methodist Mission

Methodist Mission has been providing community support for Christchurch residents affected by the quake.

- Methodist Mission is involved with the Police to support the families of those people who have lost their lives Feb 22<sup>nd</sup>
- Our staff have been at the Welfare and Recovery centres to provide information and support for those visiting the centres
- We are helping to coordinate social service support to schools. This involves ensuring there is a social work or youth worker attached to each school who will act as a navigator to the services required.
- We are also working with schools to provide social work support, budgeting advice and groups programmes to families
- We are responding to the 0800 call. The Mission receives referrals through the 0800 help line. We make contact with each caller/household to ascertain their support needs. We then find them the appropriate help within our organisation or with other social service organizations
- The Methodist Mission will also provide group programmes where appropriate including parenting through change, loss and stress, children's coping with change, loss and grief, etc.
- We are providing social work and counseling to families and individuals
- We are providing budget advice, particularly to those who are facing changed financial circumstances
- Wesley care has welcomed residents from other rest homes and hospital which have been forced to close due to earthquake damage

As always, collaboration has been key to everything we do.



## **Inequality in Aotearoa New Zealand – The Spirit Level Index of Health & Social Problems**

Contact: Paul Barber, NZCCSS [paul.barber@nzccss.org.nz](mailto:paul.barber@nzccss.org.nz)

The book *The Spirit Level* (R. Wilkinson and K. Pickett, Penguin UK, 2009) uses 10 key indicators mapped against income inequality measures to establish the rankings for the 23 countries included in their research. Paul Barber, a Policy Analyst from the NZ Council of Christian Social Services, has developed this paper which looks at the 10 key indicators for NZ.

Reducing inequality in New Zealand to the point where we rank among the most equal countries (instead of the most unequal) could help make these kinds of changes:

- **4,000 fewer people in prison through halving the current number of around 8,000**
- **Reduce by more than a hundred the number of babies dying each year in their first year of life (currently over 300 per year)**
- **One to three years increased life expectancy for all those living in New Zealand**
- **400,000 fewer people who are obese which means fewer cases of diabetes and heart disease**
- **Around 2,500 fewer teenage pregnancies meaning fewer abortions, and fewer kids and young mothers struggling with the social problems associated with teenage motherhood**
- **Reduced levels of depression and other mental illnesses**
- **Fewer teenagers taking their own lives**
- **Saving lives of the mainly children and young people killed or crippled every year in this country as a result of infectious diseases such as meningococcal disease (which killed more than two hundred people during the 1991 -2007 epidemic)**
- **Around 1,500 fewer 15 year-olds with low reading and maths literacy**
- **Doubling the rate at which we recycle waste**

Due to the time lags that are inherent in compiling international data and developing comparative statistics, the indicators used by The Spirit Level date from the late 1990s through to the mid-2000s. In this paper Paul Barber looks at more recent data to see if there has been significant change in the indicators for NZ.

The data comparisons are by their nature snapshots at one point in time and it is important in monitoring policy impacts to look at trends over time (particularly over the period of rapidly growing inequality from 1984). Longitudinal data that maps the same individuals over time

would provide another way of assessing the impacts of inequality; however there is currently no research available from NZ or internationally that does this (note that the UK Equality Trust has commissioned such research for the UK in 2011).

The following pages summarise the story for each of the indicators showing where NZ ranks compared to the other countries. Each ranking assumes 1<sup>st</sup> rank = best performing on the indicator chosen.

### Index of Health & Social Problems – NZ Ranks 17<sup>th</sup> out of 21 countries<sup>i</sup>

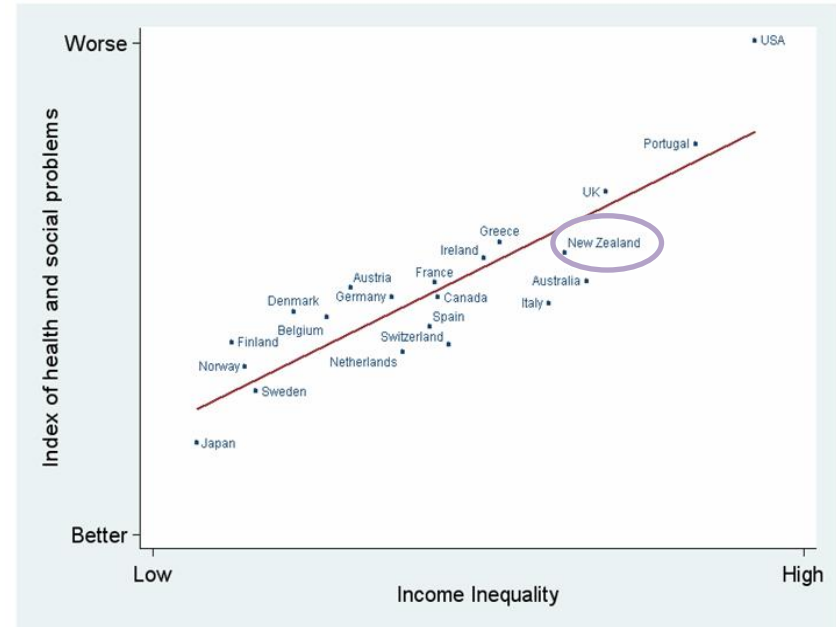
*In more equal countries almost everyone does better.*

Wilkinson & Pickett use ten measures in relation to income inequality to compile an Index of Health and Social Problems. They also collected data on a further fifteen health and social indicators that did not end up being included in the Index (see [www.equalitytrust.org.uk/why/evidence/methods](http://www.equalitytrust.org.uk/why/evidence/methods)).

The table shows that NZ fits the international pattern among developed countries – our high levels of income inequality are associated with poorer health and social outcomes across our whole population affecting those on the lowest incomes through to those earning the most. Reducing income inequalities it should contribute to better outcomes for everyone.

New Zealand data was available for nine of the ten indicators. Although data on social mobility was not available for the authors, there is some limited data about social mobility that is discussed below.

How New Zealand rates on the Health and Social Problems Index



## **Income Inequality - NZ ranked 17<sup>th</sup> out of 21 countries for income equality**

*NZ – world leader in inequality!*

- NZ has one of the worst rates of income inequality compared to other developed or wealthy countries, ranking
- 4<sup>th</sup> last as one of the most unequal countries of the 21 ranked by the Spirit Level authors (see also OECD 2008).
- Inequality increased faster in NZ over the past two decades than any other OECD country while some OECD countries (Turkey & Mexico) have reduced inequality (OECD 2008).
- Most of the increase was due to larger rises in overall incomes for the top 20% of income earners (Social Report 2010).
- Incomes for the bottom 20% actually **decreased** over the two decades from the mid-1980s (Social Report 2010).

Since 2004 (latest available international comparisons), income inequality has decreased slightly (Gini 34 down to 33.1 in 2009), largely due to the impact of the Working For Families package (Household Incomes Report 2010, p.65) but this would not alter NZ's position compared to other OECD countries<sup>ii</sup>.

Growing inequality has been accompanied by growing overall poverty levels in New Zealand (see how poverty and inequality have moved together over time on [Gapminder Poverty rate/ Gini comparison](#))

## **Imprisonment – NZ ranked 20<sup>th</sup> out of 23 countries<sup>iii</sup>**

*We lock up 4,000 too many people...*

NZ now locks up twice as many people as we used to in the 1980s. Halving our current prisons population would mean about 4,000 fewer people in prison. The trend in the imprisonment rate over the past 25 years in NZ shows a relationship with increasing inequality<sup>iv</sup>.

Latest UN data from the UN Survey in Crime Trends (data source for Wilkinson & Pickett) shows the imprisonment rate for New Zealand in 2007 at 188 per 100,000. This compares with rates in more equal countries (2008 figures) like Greece (109), Finland (64) and Japan (63)<sup>v</sup>. This suggests that reducing inequality would lead us to lock up less than half of the number of people we do now (7,887 in 2008) with all the associated reductions in prison costs and harmful social impacts of imprisonment.

Māori have a far higher rate of imprisonment than non-Māori. At nearly 700 per 100,000, it is almost at the level of the USA and more than three times the total NZ rate. Half of the current prison population is Māori, so reducing imprisonment rates would benefit Māori greatly<sup>vi</sup>.

### **Teenage births – NZ ranked 19<sup>th</sup> out of 21 countries<sup>vii</sup>**

*Halving the abortion and teen pregnancy rates means several thousand fewer unwanted babies.*

- The NZ rate is five times that of more equal countries like Holland, Sweden, Switzerland. Only the UK & USA have higher rates of teenage births<sup>viii</sup>.
- The Māori teenage birth rate at 74 per thousand is far higher than the non-Māori rate of 18 per thousand (Innocenti 2001).

There does not appear to be a trend to increasing teenage births with increasing inequality in NZ. Since 1980 teenage fertility has been overall static (with small fluctuations)<sup>ix</sup>. The 1998 rate for NZ was 29.8 compared with the 2009 rate of 29.6 (Social Report 2010).

There does however appear to be a statistical relationship between teenage *pregnancies* (rather than births) and inequality. There has been an upward trend in teen pregnancies since the early eighties matching the increase in income inequality<sup>x</sup>.

There were 5185 births to teenagers in 2008 and 4097 abortions<sup>xi</sup>. The abortion rate for teenagers has more than doubled since the 1980s<sup>xii</sup> so it is reasonable to suggest that reducing inequality could lead to several thousand less unwanted pregnancies and consequent abortions and other social problems. Halving the teenage pregnancy rate to around 15 per thousand would mean 2,500 fewer pregnancies and abortions.

Teenage parenthood and teenage pregnancy are associated with negative social outcomes. Women who give birth as teenagers are much more likely to live in poverty, drop out

of school early, have low or no qualifications, live in poor housing, suffer from depression and earn low incomes or be on a benefit (Innocenti 2001). Reducing teenage pregnancy and motherhood is one way of reducing the chances of poverty and poor social outcomes being passed on to the next generation.

### **Obesity – NZ ranks 13<sup>th</sup> out of 21 countries<sup>xiii</sup>**

*Reducing inequality would mean 400,000 fewer people who are obese and facing the associated health problems.*

One impact of inequality is that we are getting fatter! Obesity is strongly associated with poor health outcomes and social deprivation. This leads to higher rates of diabetes and cardio-vascular disease.

Using more recent OECD data from 2006/2007, New Zealand's unadjusted obesity rate of 26.5% in 2006/2007 was the third highest measured obesity rate after the United States (33.8% in 2008) and Mexico (30.0% in 2006) of twelve countries surveyed (Social Report 2010). Reducing our obesity levels to that of more equal countries like Sweden or Norway (11.0%) would mean around 400,000 fewer people who are obese in this country.

Although there is limited data available to analyse trends in obesity in New Zealand, that data does suggest a relationship between growing inequality and rising obesity<sup>xiv</sup>.

### **Infant mortality – NZ ranked 21<sup>st</sup> out of 22 countries<sup>xv</sup>**

*Reducing inequality could save more than 100 babies lives each year.*

Only the USA has a worse infant mortality rate than NZ among the countries in the Spirit Level study.

NZ's infant mortality rate in 2005 of 5.6 per thousand was nearly two thirds higher than the more equal countries (Norway 3.85, Finland, Sweden and Japan 3.4 per thousand). This means that about one-third more children die in the first year of life in NZ as in those more equal countries. There are around 57,000 thousand live births in NZ every year<sup>xvi</sup> so the impact of inequality could be quantified as costing us 125 children's lives per year (5.6 – 3.4 x 57).

However, infant mortality in NZ is declining (in 2009 4.9 per thousand<sup>xvii</sup>) and this decline is correlated to the increase in inequality which does not support the Spirit Level thesis<sup>xviii</sup>.

It could be argued that the impact of inequality is that our infant mortality rate is falling more slowly than other countries that are more equal, but we have not identified data to test this argument.

The NZ Child Health Monitor<sup>xix</sup> is reporting infant mortality for Pacific and Māori children is not declining as fast it is for European children but there is limited trend data to base this conclusion on.

### **Mental Illness – NZ ranks 9<sup>th</sup> out of 12 countries<sup>xx</sup>**

*There would be less depression and fewer young people would take their lives if we reduce inequality.*

- NZ's prevalence of mental illness (20.7%) is more than twice that of more equal countries Spain, Germany, and Japan (8.2%).
- Overall Wilkinson & Pickett conclude that there is a more than threefold difference in the percentage of people with mental illness in different countries (p.67).

- Note that Māori have much higher prevalence (29.5%) and Pacific is also higher (24.4%)

Overall suicide rates do not appear to correlate to inequality across countries according to Wilkinson & Pickett (p.175) but while there is little available data on trends in mental health in New Zealand, there is evidence of rising youth suicide rates that correlate with economic wellbeing and are associated with being raised in a family with low socio-economic status<sup>xxi</sup>.

### **Life Expectancy – NZ ranked 16<sup>th</sup> equal out of 24 countries<sup>xxii</sup>**

*Reducing inequality could lead to one – three years more life expectancy for everyone.*

NZ was ranked 16<sup>th</sup> with four other countries that all had lower income inequality. There is a difference of 5.4 years in life expectancy across the 23 countries.

Measuring the cost of inequality in life expectancy, the data suggests that our inequality costs us between one – three years of life compared to other, more equal countries (Canada, Spain - one year, Sweden – two years, Japan – three years).

However, the Social Report 2010 shows that while NZ's life expectancy grew more slowly than other developed countries during the 1960s – 1980s, in recent decades, including the time when inequality has been increasing, life expectancy has increased faster than other countries, so our relative position has improved. The gap between Māori life expectancy and non-Māori life expectancy also closed by 2.0 years for women and 1.2 years for men (MoH Annual Report, 2010). Therefore it is unclear if a cost in life expectancy can really be claimed.

Life expectancy effects have large time lags and it could be argued that the increases in life expectancy we have experienced were built on previous decades of prosperity. For example, an American study<sup>xxiii</sup> has warned that because obesity is estimated to reduce the length of peoples' lives by 5 – 20 years, the growing rate of obesity will impact on overall average life expectancy.

### **Social Mobility - NZ was not ranked**

*It is easier to "get ahead" in more equal countries.*

There is only limited data available on social mobility and only eight countries were included in this indicator. NZ is not one of them. The indicator is based on the correlation between father and son's income over a 30 year period from 8 cohort studies or data-linkage systems (London School of Economics).

A recent Treasury Working Paper<sup>xxiv</sup> on income and occupational intergenerational mobility uses proxy data from the Dunedin Study and from the Election Study. It concludes that there is a weak association between parent's income on people's adult incomes compared to other variables (e.g. a person's own educational qualifications and gender are strongly associated with their adult income).

### **Areas where NZ performs better ...**

#### **Trust – NZ ranked 6<sup>th</sup> best<sup>xxv</sup>**

*Despite high inequality New Zealanders still show high levels of trust.*

- New Zealanders show high levels of trust in several similar surveys. The latest NZ Values Survey from 2005 showed slightly higher levels of trust (1998 49.10% compared with 52% in 2005<sup>xxvi</sup>).

- The Social Report 2010 also reports the high levels of trust in NZ and suggests that this is increasing although there is data only from 2006 & 2008.<sup>xxvii</sup>

#### **Maths & Literacy – NZ ranks 5<sup>th</sup> out of 21 countries<sup>xxviii</sup>**

*Reducing education inequalities would see fewer kids whose reading and maths literacy is low.*

- NZ does better than a number of more equal countries on this measure of educational attainment.
- While NZ has high average scores, there is a wide distribution of scores and NZ ranked second highest for variation in reading and sixth highest for maths & science literacy in 2001<sup>xxix</sup>. In 2006 NZ showed the highest variation in PISA 2006 scores<sup>xxx</sup>.

According to the analysis of the 2006 PISA study by the Ministry of Education, NZ has persistent disparities in reading and math achievement. New Zealand continues to have a somewhat larger proportion of students with low levels of proficiency in reading literacy than other high-performing countries such as Finland and Korea.<sup>xxxi</sup>

This would suggest that if we could reduce the inequalities in education outcomes, we could reduce by half the 5% or 3,000 of our 15 year-olds who are performing below acceptable proficiency levels and bring them closer to other high proficiency but more equal countries: Finland or Canada or the Netherlands (PISA 2009). Thus, reducing inequality could help 1,500 young people (3,000 x 0.5) reach better maths and reading standards to equip them for more productive and socially integrated lives.

#### **Homicides – NZ ranks 6<sup>th</sup> out of 23 countries<sup>xxxii</sup>**

*Low levels of homicide have not stopped us from imprisoning too many people.*

NZ has a comparatively low rate of homicide compared to some more equal countries such as Finland, Sweden, Canada or France.

The homicide rate has been static in NZ over the past 15 years<sup>xxxiii</sup> which does not therefore suggest that rising inequality leads to greater violence. It would be useful to further test this against other measures of reported violence but international comparisons are difficult. Wilkinson and Pickett collected data on child experiences on violence but the data does not include NZ.

### **Other Impacts of Inequality (not included in the Spirit Level ranking)**

#### **Infectious disease rates:**

*Reducing inequalities would mean fewer deaths and disability from infectious diseases.*

NZ has seen rises in infectious disease hospitalisations since the early 1990s – directly relating to increases in income inequality<sup>xxxiv</sup>. Meningococcal disease, for example, is a classic disease of poverty that NZ experienced at “Third World” rates in the epidemic from 1991 – 2007. There were more than 200 deaths as a result of the epidemic and many hundreds of children and young people face the crippling long term effects of the disease. Reducing inequality would help reduce the incidence of diseases such as this one that has brought with it health and social costs estimated in at \$935 million (to 2004) half of which is direct health and treatment costs, the other half loss of production from patients and caregivers. Not included in those costs are the cost of the deaths and loss of quality of life through the long-term disabling effects of the disease<sup>xxxv</sup>. While this

epidemic appears to have been over by 2007<sup>xxxvi</sup> (partly as a result of a massive immunisation campaign) with cases back down to pre-epidemic levels, this is an example of the costs that inequality imposes on children’s lives and the whole of society.

#### **Environmental Sustainability**

*Reducing inequality could help us to double our recycling rate.*

More equal countries tend to show more public spirited attitudes which translate into better communities for everyone. More equal countries tend to have a more sustainable approach to environmental issues, one example of which is shown through recycling of waste.

Using an international analysis of 11 developed countries and how they recycled paper & cardboard, aluminium cans, glass, steel cans and municipal waste, it can be shown that more equal countries recycle at least twice as much as the less equal countries. The recycling data used in *The Spirit Level* is from: Planet Ark, *Recycling Olympics*, 2004. New Zealand was not one of the 11 countries included in that study which used data mainly from the year 2000. Going back to the OECD data it is possible to compare NZ data on two of the indicators, in both cases NZ is firmly in the category of “mid performers” ranking 6<sup>th</sup> out of 12 countries in both cases. If New Zealand was to achieve the glass recycling rate of top performing and more equal countries like Switzerland (91%), Sweden (86%) and Germany (83%), we would double the percentage of glass recycled (42%).

<sup>i</sup> Data source: The Index of Health and Social Problems was created by taking the mean of the z-scores for each measure (averaged over the number of measures available for that particular country).

<sup>ii</sup> Data source: Average of the 20:20 income inequality published in the United Nations Development Program. Human development reports for years 2003, 2004, 2005, 2006. The UN HDR Report 2006 Table 15, p.335 includes the data quoted by The Spirit Level. The figures used are based income data obtained from the World Bank 2006. The 2010 UN HDI Report uses an average Gini figure to adjust the HDI figures for inequality and does not appear to be using the 20:20 ratio any longer. The 2010 inequality figures are based on estimated household disposable income from the World Bank International Income Distribution Database (I do not know if this data is before housing costs). I note that the Gini figure quoted by the HDI Table 3, P.152 is 36.2, considerably higher than the OECD Gini rates reported by the OECD. I assume the difference is caused by calculating Gini after housing costs, which increases inequality on all measures (see Perry 2010, p.65).

Latest data discussed in Bryan Perry, Household Incomes in NZ 2009 (MSD, August 2010) <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/index.html> and in the MSD Social Report 2010 <http://socialreport.msd.govt.nz/economic-standard-living/income-inequality.html> uses a ratio of P80/P20 which is different to the 20:20 ratio used by Wilkinson & Pickett and the UN HDI Report. The report also does international comparisons using OECD data that uses P90/P10 ratio & Gini coefficient. The OECD does not report P80/P20 ratio data.

The **OECD** reported on income inequality in 2008 and notes the rapid increase in inequality (using Gini coefficient measure) over that time: <http://www.oecd.org/dataoecd/45/43/41527985.pdf> NZ has moved from being one of the least unequal countries in the OECD in the mid-1980s to one of the most unequal by the mid-2000s.

The OECD Gapminder tool allows a dynamic comparison between various indicators over time for multiple countries. View it at [Gapminder](#),,

The **NZ Institute** uses the Gini coefficient and includes a very good summary of the inequality issue. <http://www.nzinstitute.org/index.php/nzahead/measures/inequality1/>

<sup>iii</sup> Data sources: Natural log of prisoners per 100,000. United Nations Crime and Justice Information Network, Survey on Crime Trends and the Operations of Criminal Justice Systems (Fifth, Sixth, Seventh, Eighth). 2000, United Nations.

<sup>iv</sup> B.Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010

<sup>v</sup> [http://www.kcl.ac.uk/depsta/law/research/icps/downloads/wppl-8th\\_41.pdf](http://www.kcl.ac.uk/depsta/law/research/icps/downloads/wppl-8th_41.pdf)  
[http://www.unodc.org/documents/data-and-analysis/Crime-statistics/International\\_Statistics\\_on\\_Crime\\_and\\_Justice.pdf](http://www.unodc.org/documents/data-and-analysis/Crime-statistics/International_Statistics_on_Crime_and_Justice.pdf)

<sup>vi</sup> [www.rethinking.org.nz/Default.aspx?page=3629](http://www.rethinking.org.nz/Default.aspx?page=3629)

<sup>vii</sup> Data source: Births per 1000 women aged 15-19 years, 1998, UNICEF

<sup>viii</sup> [http://www.nationmaster.com/red/graph/hea\\_tee\\_pre-health-teenage-pregnancy&b\\_printable=1](http://www.nationmaster.com/red/graph/hea_tee_pre-health-teenage-pregnancy&b_printable=1)  
[http://en.wikipedia.org/wiki/Teenage\\_pregnancy](http://en.wikipedia.org/wiki/Teenage_pregnancy)

<sup>ix</sup> *Teenage Fertility in New Zealand*, Statistic NZ, 2003  
[http://www.stats.govt.nz/browse\\_for\\_stats/population/births/teenage-fertility-in-nz.aspx](http://www.stats.govt.nz/browse_for_stats/population/births/teenage-fertility-in-nz.aspx)

<sup>x</sup> B.Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Gleisner%20v2.pdf>

<sup>xi</sup> Ministry of Youth Development <http://www.myd.govt.nz/policy-and-research/teenage-pregnancy.html>.

<sup>xii</sup> Statistics NZ, *Abortion Trends in New Zealand 1980-2007*, (Jan 2010)

<sup>xiii</sup> Data source: Percentage of the adult population with BMI greater than or equal to 30, averaged for men and women, 2002, International Obesity Taskforce <http://www.iaso.org/iotf/obesity/>

<sup>xiv</sup> B.Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Gleisner%20v2.pdf>

<sup>xv</sup> Data source: Deaths in the first year of life per 1000 live births, 2005, OECD. Reported in the Innocenti Report Card 2007.

<sup>xvi</sup> Live births in New Zealand  
<http://www.educationcounts.govt.nz/publications/series/32104/32108/73805>

<sup>xvii</sup> Ministry of Health, *Annual Report 2010*, p.118

<sup>xviii</sup> B.Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Gleisner%20v2.pdf>

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<sup>xix</sup> [http://www.nzchildren.co.nz/infant\\_mortality.php](http://www.nzchildren.co.nz/infant_mortality.php). See also Ministry of Health, *Annual Report 2010*, p.118.

<sup>xx</sup> Data source: Prevalence of any mental illness in previous 12 months, adults, 2001-2003, World Health Organization and official national surveys for Australia, New Zealand and Canada  
NZ data source is the Te Rau Hinengaro: the New Zealand Mental Health Survey.

<sup>xxi</sup> P. Howden-Chapman, *Inequality and Health*, IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Philippa%20Howden-Chapman%20Inequality.pdf>

<sup>xxii</sup> Data source: Life expectancy at birth for men and women, years, 2004, UN Human Development Report, reverse coded in Index of Health and Social Problems

<sup>xxiii</sup> S. Jay Olshansky et al, *A Potential Decline in Life expectancy in the United States in the 21<sup>st</sup> Century*, New England Journal of Medicine, 352;11, March 17, 2005)

<sup>xxiv</sup> M. Gibbons, *Income and Occupational Intergenerational Mobility in New Zealand*, NZ Treasury Working Paper 10/06, Nov 2010  
<http://www.treasury.govt.nz/publications/research-policy/wp/2010/10-06/twp10-06.pdf>

<sup>xxv</sup> Data source: Percentage of people who respond positively to the statement “most people can be trusted”, World Values Survey, 1999-2001. Reverse coded in Index of Health and Social Problems  
<http://www.worldvaluessurvey.org/>

<sup>xxvi</sup> [http://www.shore.ac.nz/projects/nz\\_values.htm](http://www.shore.ac.nz/projects/nz_values.htm)

<sup>xxvii</sup> Social Report 2010, Definition/formulae: The proportion of the population reporting that people can “almost always” or “usually” be trusted, in the Quality of Life Survey conducted in 2006 and 2008.

<sup>xxviii</sup> Data source: Combined maths and reading literacy scores of 15 year olds, 2003, OECD Programme for International Student Assessment. Reverse coded in Index of Health and Social Problems

<sup>xxix</sup> Investing in Wellbeing, Treasury, 2002

<sup>xxx</sup> B. Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Gleisner%20v2.pdf>

<sup>xxxi</sup> [http://www.educationcounts.govt.nz/publications/series/2543/pisa\\_2006/29190/10](http://www.educationcounts.govt.nz/publications/series/2543/pisa_2006/29190/10)

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<sup>xxxii</sup> Data source: Homicides per million, period average for 1990-2000, United Nations

<sup>xxxiii</sup> B. Gleisner, Treasury, *Trends in Income Inequality and their relationship to other socio-economic outcomes* IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Gleisner%20v2.pdf>. See also the crime trends reported in the national police statistics: [http://www.police.govt.nz/sites/default/files/services/statistics/00-national-09-10-official-stats\\_asoc.pdf](http://www.police.govt.nz/sites/default/files/services/statistics/00-national-09-10-official-stats_asoc.pdf) and the Stats NZ web page: [http://www.stats.govt.nz/browse\\_for\\_stats/people\\_and\\_communities/crime\\_and\\_justice.aspx](http://www.stats.govt.nz/browse_for_stats/people_and_communities/crime_and_justice.aspx).

International comparisons can be viewed on Wikipedia;

[http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_intentional\\_homicide\\_rate](http://en.wikipedia.org/wiki/List_of_countries_by_intentional_homicide_rate)

<sup>xxxiv</sup> P. Howden-Chapman, *Inequality and Health*, IPS workshop presentation Nov 2010  
<http://ips.ac.nz/events/downloads/2010/Inequality%20workshop/Philippa%20Howden-Chapman%20Inequality.pdf>

<sup>xxxv</sup> <http://www.victoria.ac.nz/home/about/medical/meningococcal.aspx>.

<sup>xxxvi</sup> <http://www.moh.govt.nz/moh.nsf/indexmh/meningococcal-disease-graphs#strain>.