



## Book Review

### **Inequality: A New Zealand crisis by Max Rashbrooke (Ed.)**

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*Inequality: A New Zealand Crisis* provides the reader with valuable insights into the causes and consequences of increasing inequality in New Zealand. It draws on a range of contributors, including journalists, policy advisors, economists, and academics, all of whom share a combined concern for growing income disparities within New Zealand society. The reasons for this disquiet are apparent in statistics which show that the gap between the rich and the poor in New Zealand has grown at a faster rate than in any other developed country, dispelling any myth that New Zealand is an egalitarian society. It adds much needed comment on the unequal opportunities afforded New Zealanders and is a must read for anyone concerned with social justice.

The book comprises 15 chapters from a diverse group of 17 contributors, along with 14 informal personal viewpoints, each representing the view of a New Zealander from a different walk of life.

Part one sets the tone, with the book's editor, Max Rashbrooke, drawing on Wilkinson and Pickett's (2010) *The Spirit Level* to highlight the adverse effects of living in unequal societies. He then goes on to analyse New Zealand's income gap, pointing out that more than half of New Zealand's wealth is owned by the top 10 percent, while only five percent is owned by the bottom 50 percent. One major impact of this disparity is the uneven way in which inequality manifests itself, with Māori and Pasifika disproportionately represented as living below the poverty line.

In part two, some of the most powerful challenges to closing these gaps are highlighted by Robert Wade, Professor of Political Economy at the London School of Economics. Wade notes the resistance of the middle class to change, along with a general acceptance of the free market ideology that "when the rich become richer everyone eventually benefits" (p.51), despite compelling evidence to the contrary. Ganesh Nana, a New Zealand economist, picks up this thread in chapter four, stating emphatically that inequality, from an economic perspective, is inefficient and "an albatross around our collective necks" (p.55). Jonathan Boston, a leading contributor to policy debate in New Zealand, rounds off this section with discussion on different kinds of equality, including equality before the law, equality of opportunity, and the proposition of equal outcomes. He concludes that there is a strong case for redistributive policies to reduce poverty in New Zealand.

Part three examines the consequences of inequality in more depth. Karlo Mila looks at the plight of Pasifika peoples, many of whom migrated to New Zealand for a better life, only to end up being "2.6 times more likely than the average person to be living in hardship" (p.91). Howden-Chapman, Bierre and Cunningham review the role of colonisation in creating an unequal housing situation, exacerbated by the diminishing role of government in providing



housing for those on low incomes. Workman and McIntosh explore the rise of incarceration rates in New Zealand's prisons, one of the highest in the developed world, despite an actual drop in crime. They also scrutinise the link between poverty and crime and the unequal manner in which marginalised groups are dealt with by the justice system. Cathy Wylie then looks at the challenges facing the education system with children in poverty experiencing circumstances that make it difficult for them to learn. She looks at ways to counter poverty in New Zealand schools and expresses a need for changes in policy that would allow schools to work together, rather than on their own. The section concludes with a thought-provoking chapter by Evan Te Ahu Poata-Smith on "the growth of inequality and social polarisation with Maori communities" (p.154). This includes discussion on the level of discontent about Treaty settlement processes and neoliberal management models of Iwi assets.

The book finishes on a sober note, with the final section examining possibilities for a more equal society in the future. It begins with a chapter by Paul Barber, who delves into the social costs of income inequality and the destructive effect this has on people's lives. He speaks of developing an enabling society, one based on the principles of "fairness, equity, justice, human rights, and enlightened self-interest" (p.168) and looks at steps that might be taken to tackle social change. Paul Dalziel continues in this vein and outlines the need for an education system that equips young people with the abilities and skills that will help to reduce inequality. He highlights the current skills mismatch and looks at how the education system might address this through a more culturally responsive curriculum and investment in green skills. However, he points out that inequality is not something that the education system can solve on its own, as the cycle of disadvantage is entrenched in employment, income, housing and health, as well as in education. In the next chapter, Nigel Haworth, a labour market specialist, writes that the period of economic reforms in the 1980s and 1990s has not brought the rewards it promised; instead New Zealand has slipped from having one of the best standards of living in the world to a position well down in the list of OECD countries. Haworth goes on to outline the rewards of work and the need to preserve a minimum standards platform of a 'living wage' to protect the most vulnerable. In line with this, Mike O'Brien proposes a better welfare system that not only assists people back into work but also allows the unemployed to participate in society without the punitive sanctions that exist today. A more equal society, from his perspective, would need to ensure that children's well-being was at the centre of all policy making. In the final chapter, Linda Tuihawai Smith speaks of the deficit discourses surrounding inequality and poverty, along with the reluctance of New Zealanders to confront these issues. Her statement that "the future is now" (p.228) emphasises how the decisions we make now will determine how the future plays out for New Zealand society, particularly in relation to the opportunities afforded Maori and Pacific peoples.

## **References**

- Rashbrooke, M. (Ed.). (2013). *Inequality: A New Zealand crisis*. Wellington, New Zealand: Bridget William Books.
- Wilkinson, R., & Pickett, K. (2010). *The spirit level: Why equality is better for everyone*. Rosedale, New Zealand: Penguin Books.

Inequality: A New Zealand Crisis generated widespread discussion and numerous reviews, articles and comments, some of which can be found here. Since the book's publication, public interest in inequality has continued to rise, and it remains "according to public polling" one of the single biggest issues facing the country. In July 2014, BWB published *The Inequality Debate: An Introduction*, a short guide to income imbalances in New Zealand, and in November 2015 *Wealth and New Zealand*, which contained ground-breaking analysis of asset inequality. The *Inequality: A New Zealand Conversation* site Talk by MAX RASHBROOKE. Editor *INEQUALITY : A New Zealand Crisis*. Bridget Williams Books, 2013. at TIVOLI. Friday 15th November, 7.30 pm. All welcome, free event. Max will be discussing the recent study on the divide between New Zealand's poorest and wealthiest inhabitants. and how this gap has widened alarmingly over recent decades. TIVOLI art | books | film 2/118 Ocean View Rd, Pendragon Mall, Oneroa, Waiheke Island.