Inequality A New Zealand Crisis
Edited by Max Rashbrook
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Reviewed by David Pearson

Max Rashbrook is a journalist who wants to tell a story about 'inequality' more accessible to a wider public than most academic debates about the subject, which are often so bestrewn with jargon and complex statistics that only the initiated can participate. He also might have pointed to the prevalent tendency within the popular media not to provide sufficient depth or clarity on complex social issues to enable readers to grasp the intricacies of what is being written about. Add in very large doses of, often disguised, political and moral bias and the possibilities for rigorous and balanced assessment become even more remote.

Despite these obstacles, this book mainly succeeds in achieving its aims by providing generally clear and readable commentaries on inequality by authors who explicitly state their own values, policy advocacy and political perspectives. A diversity of perceptions is therefore inevitable, as Rashbrook notes in the Preface. Nonetheless, what unifies the wide range of opinions displayed in the chapters that follow, by commentators from within and beyond academia, is a shared aspiration to provide a compelling case for accepting that income inequalities in New Zealand have reached a point where detailed examination, explanation and remedial action are essential. Yet calling the current situation in New Zealand a crisis is debatable. Have we reached a 'tipping point' (2) where Kiwis' oft noted traditions of equality and fairness are perceived as in such poor repair that they should do something about it? Admittedly, my scepticism is unfairly compounded by writing this review well after *Inequality* hit the shelves, at a time when a centre right administration was very recently, and resoundingly, returned to the Beehive. This government, while having child poverty and housing disparities, for example, on its agenda, is unlikely to share many of the views proffered in this text. But whether voter preferences should be taken as reflecting delusion or disavowal of a calamitous defining moment is hard to fathom.

In his opening chapters the editor sets the scene by outlining why he thinks inequality should matter to all New Zealanders, including the well-heeled. He also has a good stab at demystifying the statistics that inevitably confront anyone trying to decide how to define and measure income disparities in relative fashion.[1] Cogent arguments are advanced about why we should all be concerned about inequality per se, not just poverty. Endorsing the influential comparative research on inequality by the authors of *The Spirit Level*,[2] Rashbrook stresses that only focusing on the widening gulf between the breath-taking salaries earned by a handful of corporate executives and the marginalised existence of those at the bottom of the heap, detracts from the point that excessive income (and wealth) differences negatively affect the health, security and well-being of everyone; not least because of their impacts on the overall economic performance of societies.

His views are generally ably backed up in subsequent chapters. In a well-argued essay, Robert Wade shows how New Zealand income disparities mirror those in most Western societies, although its recent historical shift from one of the least to most unequal states in the OECD is distinctive. His expansive comparative survey, reminiscent in some ways of the arguments presented in Thomas Piketty's more recent book on wealth distribution,[3] neatly demolishes the neo-liberal illusion that equality and democracy are best accomplished with a minimum of market constraints. Yet, for Wade, shifts in this direction over recent decades fortified rather than created a longstanding plutocracy in Western capitalism, with New Zealand being no exception. This, of course, raises fundamental questions about the relative weight to

be given to broader global and historical structural causes of inequalities over and beyond local contingencies.

In subsequent chapters, Garesh Nana critiques economic analyses that focus over narrowly on the financial costs of inequality and Jonathan Boston philosophically muses on the relationship between differing forms of equality and inequality. His analysis of egalitarianism is illuminating but it could have been linked more closely to a discussion of how this concept evolved in New Zealand historical terms. Local ideas and actions relating to egalitarianism as a form of equal opportunity (firmly distinct from models of equal outcomes) have, paradoxically, always been sustained by visible inequities and the exclusion of others not deemed worthy of equal rewards. Thus, much vaunted Kiwi (and Aussie) part mythologies of Jack being as good as his master relied on such powerful figures being demonstrably apparent here and/or overseas; with Jill only appearing on the scene when she fought for greater recognition. How far these well-worn ideologies and practices still retain their potency since the far-reaching neo-liberal changes in the 1980s and 90s, and the degree to which economic disparities have promoted the distancing of unshared lifestyles in residential and geographical segregated settings, are subjects that deserved more detailed exploration.

They are partly addressed in Karlo Mila's piece on the experiences of Pacific peoples; Patricia Howden-Chapman and her colleague's evaluation of housing issues; Kim Workman and Tracey McIntosh's review of crime, poverty and our very depressing incarceration rates; and Kathy Wylie's assessment of education policies. Like all the book's chapters, these contributions are interestingly augmented by 'viewpoints' drawn from interviews that the editor conducted with persons whose lives encompass a range of experiences and standpoints on local inequities. Asher Emanuel's insightful reflections on the factors that influenced his recent student achievements are particularly striking. The humility displayed when suggesting his privileged background outweighed his own endeavours might be seen as reinventing egalitarian folklore, but he very effectively debunks what he sees as a dubious and outdated set of meritocratic beliefs. So is the ability of the wealthy and powerful to legitimate their advantage by highlighting their humble origins or demonstrating a willingness to still mix with those who remain on the lower rungs they have climbed from (note that recent election again), merely a symptom of generational lag? Maybe; yet Evan Poata Smith's perceptive observations on the growing inequalities within Maori communities, as well as between many of them and others, blunts one's optimism. Much will depend on whether you agree with him that transforming the forces of capitalism is more important than changing the hearts and minds of those within the system. Neither prospect inspires confidence at present.

What is to be done? Paul Barber provides a very useful introduction to the final set of chapters whose authors look ahead to possible policies for reducing inequalities now and in the future. His helpful strategy of foreshadowing issues to be discussed by other contributors as well as delivering his own points of view could have been adopted, perhaps by the editor, at the beginning of all the discrete parts of the book. At this point in the text, Paul Dalziel discusses how enhancing the general level of equal opportunity for young people to acquire employable skills at secondary school would enable them to get jobs with higher incomes. His suggestions are complemented by Nigel Haworth's call for more inclusive employer labour relations incorporating a stronger voice for workers. This is a prospect Mike O'Brien sees being enhanced by a better welfare system bolstered by a universal minimum wage. Like other authors, he is acutely aware of the problems of responding to the overt opposition that he knows will directly derive from elites, while simultaneously trying to counteract the tacit subversion of political change posed by the cynicism or inertia of the masses. Here lies the rub: as Linda Tuhiwai Smith's concluding chapter illustrates.

She reflects on how the views of those who refuse to see or act against inequality can be effectively contested, when they don't want their privileges reduced or taken away, and how

to combat the enigmas of engaging the non-engaged. Is it possible to alter the deeply distrustful attitudes of those who have become so sceptical of politics (and certainly politicians) that they subscribe to a resentful nihilism? And how can we reach those so weighed down by the misfortunes of what fate has seemingly dealt them that they end up in the same boat? For Tuhiwai Smith, there are still enough New Zealanders out there sufficiently troubled by widening disparities in income, and, yes, wealth and power, to be swayed by new imaginative ways of understanding and transforming unequal conditions. Using these conceptual and practical tools, she contends, the Master's (and one might add powerful Mistresses) houses could yet be extensively modified if not demolished.

Writing lucidly about inequality, let alone trying to persuade others of the merits of doing something about it, is a big ask. On balance, Max Rashbrook and his contributors have provided a platform for a better informed conversation about indisputably widening income and wealth gaps in New Zealand. None of them will need reminding that presenting accurate data and coherent analysis is only half the battle, especially when measurement and morality is so contested. But they are vital prerequisites for thinking about the political and policy implications of social and economic disparity and, more to the point, translating those ideas into action. *Inequality A New Zealand Crisis* deserves a wide readership for encouraging more rigorous conversations about important issues that may or may not be in crisis, but contain all the ingredients for arriving at (or should that be revisiting?) this destination.

[1]For a rather critical alternative see Brian Easton, "Economic inequality in New Zealand: A User's guide": http://www.eastonbh.ac.nz/

[2]Richard G. Wilkinson and Kate Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better* (London: Allen Lane, 2009).

[3]Thomas Piketty, *Capital in The Twenty First Century* (Cambridge, Mass: Belknap, 2014).