

Action and aroha needed to reverse creeping inequality of Auckland

September 1 2016, by Nicola Shephard



Credit: University of Auckland

An increasingly divided Auckland of "ghettos and gated communities" is what lies ahead if the city and nation fail to tackle the widening gap between rich and poor. Solutions must come from all quarters – local and central government, iwi, community grassroots, business and philanthropy – and start with empathy, caring, and aroha.

Stark warnings and tangible hopes were delivered by speakers in a panel discussion last night on how to make Auckland more inclusive. The event was the first of three in the Ballot Box series, organised by the University of Auckland Business School to inform debate about top issues in the lead-up to the local body elections.

On the panel were Alan Johnson, a South Auckland-based public policy analyst and community activist; independent economist Shamubeel Eaqub; Susan St John, an honorary associate professor of Economics and adviser to the Child Poverty Action Group; and Rangimarie Hunia, chief executive of Ngāti Whātua Ōrākei's social development company, Whai Maia.

Speakers described how the concentration of poverty into certain neighbourhoods undermined the whole city.

Eaqub predicted "an increase in ghettoization of the poor and gated communities amongst the rich" with continued status quo.

"Auckland is a city that is increasingly divided: those who have good jobs versus those who don't; those who own a home, versus those who don't. It is called the ghettoization of Auckland, and it is completely unacceptable."

St John spoke of a "two-speed city: on one hand we have Real Auckland Housewives, on the other we have desperate people living in cars in winter".

Johnson gave a view from the south that illustrated the concentration of disadvantage. Some examples:

- Recorded assaults are up to twice as common in some parts of South Auckland than elsewhere in the city

- 55 per cent of children in South Auckland go to a decile one school
- Twice as many South Auckland school leavers leave with less than NCEA Level 1 than other Auckland school leavers

Eaqub argued the twin forces of technology and globalisation are polarising the city's labour market into the "highly skilled and highly unskilled", and that the house market is "totally broken".

"Our Prime Minister was on the radio a couple of days ago saying it's always been hard for young people to buy houses in Auckland. Bullshit," he said, referencing a series he writes for thespinoff.co.nz.

"When you've got this kind of denial, when the average house price in Auckland is nearing \$1 million, it's ridiculous. We've got politicians quibbling over whether this is a 'challenge' or 'crisis' - I don't care. We just have to fix it."

The "hollowing out of the middle" is evident as more and more nurses, police, teachers and other crucial service workers are priced out of Auckland.

Eaqub said that although Auckland has the highest average household income of all regions in New Zealand, once you take into account purchasing the average house, disposable income is the lowest of all regions.

"Auckland is meant to be our most competitive city, our one big hope of competing with cities around the world. How are we going to do it when there isn't enough disposable income for even people on good incomes to live their lives in dignity?"

Speakers agreed today's inequality is rooted in three decades of flawed

policy and policy neglect, compounded by international forces beyond our control.

They also agreed that solutions existed, but values need to shift to set them in motion.

St John emphasised the role of central government and the need for tax reform, pointing to her and Johnson's idea for an imputed tax on housing equity above a threshold, equivalent to tax on interest from savings, as a means of arresting the housing bubble.

She also encouraged New Zealanders to celebrate the success story of universal superannuation.

Hunia argued the impetus had to come from empowered communities: "You cannot do something to a community; you must enable a community to take control of its destiny."

Ngāti Whātua's story of transformation showed what is possible in a post-settlement world with "bold and courageous leadership", she said.

"In 1840 we invited Governor Hobson onto the shores of Waitemata...within five years we lost most of our tribal land; by 1951 we only had a quarter acre, and that was our cemetery. Over two generations the landscape and narrative can change: Ngāti Whātua was virtually landless; Ngāti Whātua was in poverty; Ngāti Whātua had suffered, however today we'll post a balance sheet of over \$900 million."

She described an award-winning, medium density housing development by the iwi that put 30 architecturally designed homes housing 150 people on a site that used to hold 10 state homes.

"We've seen a reduction in preventable diseases in the children. We have

150 who come from homes where employment is the norm and that is creating a ripple effect in this community that no policy ever did."

Business has a "huge part to play" in addressing some of the systemic barriers facing underprivileged children, she said.

"Government will struggle to invest in new ideas, but business and philanthropy and even the community can back some of these audaciously bold ideas, give them some wings to fly, and allow groups like us and Alan's to actually have a crack."

All speakers stressed the need for equal education.

"Health, homes and education: the combination of the three will give our children the traction to succeed," said Hunia.

Eaqub also advocated for massive investment in infrastructure, such as was last seen post-war.

"For me the mechanics of the solutions are not the problem," he said.

"For me the problem is always the politics: what values to we hold ourselves to, how do we measure ourselves and what kind of society do we want to live in?"

"Over the last 20 years we've put competition and individualism on a pedestal. We judge people and ourselves and society against metrics that make us extraordinarily selfish and make it very difficult to care about others..."

"Right now there is such a divide between the rich and poor of New Zealand that the well-off cannot empathise with the pain and suffering that's going on. They are more likely to blame [the poor] for being poor, to punish them for being homeless, to penalise, and to be happy with a

system that is grudging and unfair."

He warned the widening "fault lines" of inequality threaten more than the city's economy.

"There seems to be a growing acceptance that it's OK for people to miss out. I worry because what we seeing in Auckland is that it is not going to be OK: very soon it will be the majority who are excluded.

"If we don't want to live in a society that is racked by envy and hatred and division and exclusion, the only way to avert this is not with economists, not with public policy, but with politics that engage our better values."

Hunia argued "inclusion" in Auckland really began with the partnership between Ngāti Whātua and the British Crown in 1840.

"Tāmaki Makaurau is translated as Tāmaki, loved by many. It is the most loveable city, and it's everyone's role who chooses to live in this land, to make it so."

Provided by University of Auckland

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