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| **Speak Up - Kōrerotia**  **Living the life we value**  **19 January 2022** | |
| Male | This programme was first broadcast on Canterbury’s access media station Plains FM and was made with the assistance of New Zealand on Air. |
| Female | Coming up next conversations on human rights with “Speak Up” – “Kōrerotia”, here on Plains FM. |
| Sally | E ngā mana,  E ngā reo,  E ngā hau e whā  Tēnā koutou katoa  Nau mai ki tēnei hōtaka: “Speak Up” – “Kōrerotia”.    Tune in as our guests “Speak Up”, sharing their unique and powerful experiences and opinions and may you also be inspired to “Speak Up” when the moment is right.  Mōrena, this is Sally Carlton with Speak Up – Kōrerotia. Today we’re talking about living a life that people value, all about wellbeing and economics and wages and welfare. We’ve got two guests here in the studio - it’s really exciting to be in the studio, this is the first time we’ve been in the studio for a few months, actually - so we’ve got Paul Dalziel who is Professor of Economics at Lincoln University and we’ve got Nathaniel Herz-Erdinger who is part of the Living Wage Movement Aotearoa New Zealand. I think we’re going to find that there’s probably quite a lot of crossover between the work that you guys both do and I’m really looking forward to thinking more about wellbeing, economics and how we can look beyond economics in a traditional sense in terms of money to how do we live a life that we really value beyond that monetary value.  It would be great to hear from both of you, introduce yourselves and tell us a wee bit about why it is that you’re involved in today’s kōrero. Perhaps Nathaniel, we’ll start with you. |
| Nathaniel | Yeah sure, kia ora, thanks for having me. So I am Nathaniel, I’m the Community Organiser in Christchurch for the Living Wage Movement and I got involved mostly because it’s an issue, the living wage, really close to my heart because I’ve spent a lot of my working life in minimum wage jobs so I really know how hard it can be to try and get by - not just survive but actually live, as you said, a life that you can really value. So that’s why I am involved and most of our work is really about making sure that working families have enough to live a life with dignity. |
| Paul | Kia ora Sally, kia ora tātou. Paul Dalziel is my name, I am Professor of Economics at Lincoln University and I’m Deputy Director of a small research unit at the university called the AERU. We sometimes say ‘Absolutely Exhausted R Us’ but really it is the Agribusiness and Economics Research Unit and for the last 20 years we have been working on research around wellbeing, moving away from Gross Domestic Product as the primary indicator of economic performance at the national level, towards closer attention to the lived experiences of people throughout the community and trying to design economic policies that allows everybody to lead lives that they value and have reason to value. |
| Sally | Even just in this very brief introduction I think we are already seeing the potential crossover between the two angles, I guess, that you’re bringing to this discussion. It would be great now to hear a wee bit more about what is the Living Wage Movement, how long has it been going, what are the kinds of things you’re arguing for, what is the living wage actually at the moment? - these sorts of things. |
| Nathaniel | Yeah so the basis of the living wage, the philosophy I suppose, is that our wages in society shouldn’t just be a completely arbitrary number that a politician who is on $150,000 a year decides every election cycle just because the number sounds good and that’s the system we have at the moment. So at the moment the minimum wage is $20 an hour and that’s just because back in 2017 during the election, Winston Peters made a promise to get the minimum wage to $20 an hour and he just happened to get just the right amount of leverage and that happened to go through but it wasn’t really based on any research, it wasn’t based on the actual lived experience of working families.  So what we do at the Living Wage Movement, is we actually do the research to find out how it much it costs to live in New Zealand right now, how much it costs to raise a couple of kids when you’re working and not just give them enough food to stop them from starving but actually clothe them well, feed them well, provide for their education, health needs, occasional holidays. Just the basic but decent life. So at the moment the living wage is calculated at $22.75. So for a lot of people that difference doesn’t sound like a lot - it’s just $2.75 between the minimum wage and the living wage - but if you’ve got a family who are working 60 hours a week between them, which is how we calculate the living wage, that comes out at, before tax, over $150 and that can make a huge difference to people’s lives.  And the way we calculate that is we commission research from the Family Centre for Social Policy Research and so every five years they do a really in-depth analysis of all of the different things that affect living costs in the country and then they come up with a number and that’s what we use. And then in between those five-yearly research periods, we do little adjustments based on median wage growth so that the jump is not too big. |
| Sally | So every year there is an incremental increase in the living wage. |
| Nathaniel | Yeah so our last full adjustment was in 2018 and then every year there is a little bit of an increase. So the most recent increase was announced in April this year and it was from $22.10 up to $22.75. And also the thing to know is we all probably realise that cost of living in the last two years has been crazy, it’s been skyrocketing. For food, for rent particularly so we’ve actually called it and we’re doing it after four years instead of five. So next year we’ll be able to announce a fully researched new living wage because we’re not really able to keep up with the costs because everything is moving so fast at the moment. |
| Sally | And is that because of the COVID situation? |
| Nathaniel | I suppose, I imagine an economist like Paul would be able to give a clearer answer perhaps. |
| Paul | Well yes the emphasis on a living wage is absolutely essential because if we think about the lived experiences of people creating lives that they value and have reason to value, then family life is at the heart of what it means to live well. And I’m not thinking just of the two adults and the two children that is the basis of the living wage calculations but broader than that, the whole whānau ora, the wellbeing experience of families extended through the generations and across uncles and aunties and extended and close family friends, this is at the heart of it. And if adults cannot earn a living wage, then by definition, their children are unable to develop to their potential. And so by forcing adults into the lower living wage jobs, we are consigning a generation of children to not reaching their potential when they become adults in their turn. And so it’s not sustainable for communities, it’s not sustainable for economic prosperity as the next generation of workers don’t develop the skills they should while they are children. |
| Nathaniel | This kind of emphasis on wellbeing is really useful for us at the Living Wage because when it comes to trying to convince city councils and organisations like that to become living wage-accredited, to pay not just their staff but also their contracted staff the living wage, it’s really important that we’re not just talking about money but we’re actually also talking about wellbeing. And now we have in the Local Government Act, it makes clear that the four wellbeings are a key part of what local government does. It makes it much easier for us to say look, it’s not just about the money, it’s about making sure that your whole city is healthy and thriving. |
| Paul | Exactly. And the four wellbeings are economics certainly, but also social and environmental and cultural wellbeing. Now where does this culture get nourished? Where does it develop in the next generation of children? It’s within families. And so again, if families don’t have the access to the material requisites of wellbeing - as the founder of neoclassical economics called it at the beginning of his textbook written in 1920 - if they don’t have access to the material requisites of wellbeing then they cannot thrive within their own cultural contexts. And again, we are creating problems for the future as well as pushing people into despair in the present because they are just struggling day after day after day. It’s exhausting and there’s no room into investment into the lived culture of their family. |
| Nathaniel | Yes we’ve gotten lots of sort of testimony about this from workers, from cleaners, who are talking about working 50, 60 hours a week, not being able to see their kids in the weekend, feeling like they’re failing as parents because they can’t provide enough money to raise their family and also see their children and nourish them and living wage can make a big difference to that. |
| Paul | The cleaners is a very good example. I talk about this quite a bit because you talk to an employer, say a university a few years ago, saying well why don’t you employ somebody straight from school? - because that’s what the minimum wage is designed for: somebody with their first job experience, learning how to be a worker in the work place - employ them to clean the offices at night. And typically the reply is no, we couldn’t do that, they’d run amok, there would be havoc, the job wouldn’t be done well, we’d be worried about them playing cricket in the corridors etc. etc. So in other words the mature women who are cleaning offices at night bring skills to that job that are valuable to the employer but those skills are not being paid for with the payment of a living wage. And so this is why the system is not only unjust and is failing to invest in the future generations’ development but it is also economically efficient because we are not rewarding people for the skills they bring to the workplace. |
| Sally | Paul, just as we are getting into this, could you maybe just tell us what is the underlying idea behind wellbeing economics, just to set the scene? |
| Paul | So wellbeing economics in one sense has been part of economics right from its earliest days. Alfred Marshall, the founder of neoclassical economics, used to walk around the streets of London looking in the faces of the poorest people, his biographer later said, and resolving that we need to understand how people get trapped in poverty with no way through their own effort to lead a life of dignity and mana we would say in New Zealand, because they lack the material requisites for wellbeing. But in another sense economists got distracted then with focusing almost exclusively when judging economic performance on Gross Domestic Product, the measure of what we produce in market place, in public work places and the like. And the view was, if we encourage economic growth, wellbeing will take care of itself. Well it turns out that’s not true.  So between 1984 and 2014, over 30 years, Gross Domestic Product per person in New Zealand increased by 50%. The rate of child poverty on an absolute measure did not change and if you measure it using a relative standard, allowing the standard to grow as GDP grows, then child poverty was worse at the end of the 30 years than it was at the beginning. If we think about the climate emergency: here we are growing the economy - you know, more grass, more cows, more milk - but the impact on greenhouse gas emissions and on the environment could radically change wellbeing across the globe. And so GDP is not sufficient. Economists are learning that we need to pay much closer attention to the lived experience of people - are they enjoying wellbeing, are they able to leave lives that they value and have reason to value? - and then to go back to Marshall’s question, how can we design economies that will empower people to create lives that they value and have reason to value? |
| Sally | That example you gave about the dairy industry is a really interesting one, that on the one hand if we’re talking about economics as one of those four wellbeings, there’s that element but another of those wellbeings was the environmental wellbeing as well and how do we balance those two together. |
| Paul | The very fact that you are saying, “How do we balance those things” means that you are in the space of wellbeing economics. Traditionally, economists have tended to say, “How can we create economic growth and then when we achieved economic growth, how can we distribute the fruits of that growth to reinvest in the environment?” and the second step never arrives. There are some offsetting measures: in the dairy industry, people are making efforts to fence off waterways and use riparian planting and so on. But this question of not just how much we produce but how do we produce it so that we are in harmony with the natural environment, so that we are investing in the social wellbeing of our communities, so that we are drawing upon and contributing to a vital cultural experience of everybody in the community, that’s wellbeing economics. |
| Nathaniel | I think talking to business owners, particularly small business owners, I definitely really notice these really different approaches to the way that businesses work. So some people I talk to will say, sort of as Paul was saying, you know, “We really want to pay the living wage but first of all we have to make sure that we’re really profitable as a business and maybe we have to acquire this property or we have to make efficiency changes here or we need to reach this target next year or I need to pay off my house first and then maybe, you know, way down the list we’ll think about the living wage”. And then there are other business owners who, from the very start of their business life, they make a decision that they want to do things right and that they want to make sure that they’re actually contributing to the community and they start off paying their workers fairly and they start off thinking about all these wellbeings. And then because it’s actually baked into the business model that they have, it’s so much easier for them to go further in those ways. Definitely two really different ways of looking at the way businesses can work. |
| Paul | That’s absolutely spot on and the Institute of Directors in New Zealand for example, talking about what it means to be a good director of a public company in New Zealand. The first step is define your purpose: what is the business trying to achieve by orchestrating all of those assets, including its use of the natural environment both as a source of raw materials and as a sink for what we call waste materials, you know, the circular economy is trying to close that gap. Why are you doing that? What is your why? And when you have that sorted out, then policies follow about let’s invest in a living wage so that we recognise the skills that our workers bring to this enterprise rather than seeing them as a resource that we can exploit. |
| Nathaniel | It’s sort of possible to approach those businesses and do it the other way around and argue for the living wage or for other forms of wellbeing from this purely economic point of view - saying things like, “Well, if you pay your workers the living wage you’ll have lower staff turnover so your training costs will be less” and those sorts of things - but it can be quite an uncomfortable discussion because you feel like you’re speaking two different languages and almost like you’re being co-opted into this really tunnel vision way of looking at things. I find that difficult sometimes. |
| Sally | We might have our first song then. We’ve got ‘Hope and Wire’ by The Eastern which one of your choices, Paul. It’s a really poignant song, I guess, for us here in Christchurch. |
| Paul | And it’s a great band, Christmas season song, and it speaks of social justice and compassion and I think it’s a good song for this kaupapa. |
|  | **MUSIC BY THE EASTERN – HOPE & WIRE** |
| Sally | This is Speak Up – Kōrerotia, ko Speak Up – Kōrerotia tēnei, and today we’re talking about how to live a life that we value, we’re talking about wellbeing economics and the living wage. We’ve spoken quite a bit about why we need to start moving beyond our current system and I’d be really interested to hear now about how do you think we’re doing in trying to shift mentality and also practice. |
| Nathaniel | Really, the key part of the Living Wage Movement is not so much just about doing this research but it’s actually about building a grassroots movement of community organisations, so of churches and mosques and anti-poverty organisations and mental health advocacy and community spaces and getting them all together and cementing those relationships and recognising the shared issues that we have all across society and see how a lot of the time they really relate to inequality. So a lot of what we do is about trying to change the narrative a little bit and trying to get our community organisations speaking in one voice really clearly on this issue so that it’s not just a fringe issue but it’s something that is always on the mind of our city councillors and our business leaders. So that’s the way that we operate is about that, growing grassroots power and then using that power to actually fight for the community. And it’s been going, I’d say, really well. I think we’ve really seen, particularly in the last few years, the shift from the living wage to being a sort of fringe idea that you have to explain in full every time, to being something that people basically understand and getting that recognition for accredited employers, getting recognition across whole sectors. Like, we have the whole banking sector accredited with the living wage now.  So I think the groundwork has been laid and I feel like we’re really starting to get a sense of awareness of the issue which is really encouraging. |
| Paul | I think there are good signs but also worries and we should recognise the huge challenge that’s involved in designing economic systems that move away from a simple focus on Gross Domestic Product towards a wider focus on wellbeing more generally. It’s like you’re rebuilding a large ship to change its direction while the ship is at sea and so yes, you’re making changes and you’re redesigning the ship but you have to make sure that the ship stays afloat. And then throw in the fact that we are in the midst of this huge ocean storm called COVID-19 that is absorbing so much private sector and public sector attention - your heart just goes out to businesses that have really struggled through the lockdowns, totally outside their control but public health measures require that they make huge sacrifices on behalf of the team of five million and all of the effort around the Cabinet table making life-saving or life-destroying decisions every day about the public health response to COVID-19. So there’s a lot going on.  But as Nathaniel has just described, there are community efforts to promote new directions for a wellbeing economy. At the national level the government has delivered three wellbeing budgets, child poverty is one of the five areas that have been prioritised in those budgets - but then you look at what’s happened to house prices over the last two years and that’s an unintended consequence of pumping all of that money to maintain households’ wellbeing while they’re unable to physically be at work, spilling over into 30% increases in the house prices over the last 12 months. And that has a terrible impact on people who are in rental accommodation or who are struggling to move out of overcrowded and damp accommodation into quality housing.  So yes, we are definitely making progress but the challenges are huge. |
| Nathaniel | I think the COVID impact has been really interesting because on the one hand it’s been a real struggle for a lot of the small businesses that we’d like to attract to the living wage in that their turnover is way down, they’re really not making enough money to even pay their staff the minimum wage so we have wage subsidies and things. But on the other hand, I think with COVID we’ve seen this recognition across society of the value of those low wage workers with this idea of the essential workers and it’s gone from seeing people who work in supermarkets or cleaning as maybe temporary workers or people who aren’t really like a part of society, to recognising that they’re actually the most important people. And I think a lot of people, when they find out how little those workers are getting paid, they’re really shocked. So I think there’s an opportunity there as well. |
| Paul | Absolutely, that goes back to the point about paying people for the skills they bring to their work and this is socially determined. Traditionally trade unions, this has been one of their key roles. I don’t know if people remember the film ‘Made in Dagenham’, which is where women making the leather seats for cars in the UK were thought to have no skills, essentially because they were female, and so there was this whole transformation, even within the trade union movement, about what do skills mean in the workplace. And as Nathaniel has just described, we have that same issue today as people recognise the skills that people bring to the essential services that kept the ship afloat during the COVID-19 storm are not being reimbursed properly with a living wage and that’s part of what has to change. |
| Sally | I think something that’s interesting that you’ve both alluded to is not just the skills, I guess, in terms of being able to physically do a task but also the idea of staff who are loyal and who remain in a company for a while - and Nathaniel, you’ve touched on training costs, for example - but also that idea of loyalty and building loyalty to a company, that’s got to have some value as well. |
| Paul | This is one of the principles that a movement called the Wellbeing Economy Alliance - which abbreviates to WEALL, as in WE are ALL in this together - it’s one of its key principles is that businesses should recognise that their staff are assets for the business, not costs to the business, and by investing in the wellbeing of their staff including paying a living wage, you know, freeing them from the worry of how am I going to put food on the table this weekend, will result in a better business, a better enterprise because everybody’s skills are coming to the workplace and are being used to fulfil the purpose of the business, not simply to make a profit, that’s part of it but to deliver its purpose as a contribution to the wider community. |
| Nathaniel | Yeah I think a lot of business can get stuck in this toxic cycle of not valuing their workers properly. I had this when I was at uni up in Wellington and I was washing dishes in the weekends at a café, and they just refused to put the work in to making the conditions good enough to have enough people who wanted to do that job. So every Tuesday night I would get the call can you come in because we don’t have anyone to work this shift and every Tuesday I would try and say no and they would sort of push and pressure and cajole and in the end I just quit and then they ended up with an even worse problem where now they didn’t just have the Tuesday shifts, they also had the shifts on the Saturday and the Sunday and they had this constant staff turnover and constant need to train new staff and no one there would really know what was going on. And we just see this so often in business that get so obsessed with this dollar amount that they’re just shooting themselves in the foot really. And I think particularly this issue is going to become clearer now that we have staffing shortages across so many industries, recognising that loyalty and the institutional knowledge that workers bring, from really high paid sectors to right down to like café work and things, is actually really valuable. |
| Paul | Absolutely, knowledge is at the heart of many business’ success and it’s not just the knowledge of managers and the knowledge in manuals and procedures but it’s the knowledge that comes from experience, life experience, as well as workplace experience, that creates good services, good products. And if you go into a café where the staff are not happy, it’s not a good experience. And there’s a lot that firms can achieve by contributing their… you know, bring your whole self to work to their staff in a way that creates value for the business, value for the customers and value for the workers who are providing that service. |
| Sally | In terms of uptake of particularly the living wage, do you see any difference across sectors, for example, or age groups or big business versus smaller family-run business? Are there some groups that seem to be getting more on board versus others that may not be? |
| Nathaniel | Yes there’s a really big difference. It tends to be the companies that have a lot higher wage costs that can be a little bit more hesitant about it. Particularly that applies to a lot of small hospitality businesses, can be quite hard to get involved. We do have quite a few small hospitality businesses and their feedback is a lot of the sort of things that we’ve been talking about, about turnover but yes, it varies a lot sector to sector.  So we managed to get the entire banking sector accredited - so of course most of their directly employed staff would already be on more than the living wage - but that’s about getting their contracted cleaners and those sorts of roles on the living wage as well. And so those sorts of businesses, maybe it’s a bit easier to convince because it’s a lower proportion of their costs but I think probably there’s just a general shift towards it being easier as more and more businesses get involved.  So it took us a long time to get our first council accredited, I think it was back in 2017 that we got the Wellington City Council to get accredited and then since then we got Dunedin and we got Christchurch and we’re pushing really hard and we’re close to getting Auckland working and the regional councils. So there’s definitely variation between sectors. |
| Paul | I think, too, that there is a difference between firms that are operating, enterprises that are operating in a fiercely competitive environment where they are competing against each other on cost. And so the small hospitality owners would be a good example of this and many producers in the primary sector and the land-based sector as well, that if they can reduce their costs then that improves their own profits, their own wellbeing. And once a reasonable number of firms in an industry take that path, it’s very hard for others in the industry to swim against the tide because they aren’t able to compete on price.  Whereas industries where there are a smaller number of large firms that are able to invest in the wellbeing of their staff and pass on the costs to consumers and say the banking industry for example, are better placed to lead the movement towards living wage economy. |
| Nathaniel | Yes that has been a really big difficulty and actually was one of the reasons for the founding of the Living Wage Movement in Aotearoa was the frustration that a lot of unions had trying to bargain with these really competitive industries. Like cleaning for example where the cleaners, the vast majority of the costs is labour and they’re all contracted out to bigger companies, often public entities like councils and things and unions would try as hard as they could to bargain for more pay for their workers and the contractors could just say look, we could pay them more but here’s how much we’re getting from the council to clean these buildings, how do you expect us to pay?  So something that the Living Wage Movement does is it bypasses the middleman, instead of talking directly to those cleaning companies that would be really hard to convince, we go straight to the council and we make sure that their procurement policy requires payment of the living wage and that way you can make a shift that has ripples through the whole industry. Because you get one cleaning company then that has to pay the living wage and is contracted to do that and then slowly you start to shake up the industry a little bit and you get those big companies to encourage living wage payment and you start to see those ripple effects. |
| Paul | We did some work a few years ago in the AERU about who bears the cost of an increase in the minimum wage and the answer was, by and large, it’s the public sector. So by the time people just about the minimum wage get their increases and so on, it’s people in aged care for example that see in the increase in the wages bill and that has to come out of the health budget and so the government needs to step in and make the difference.  So this is why there needs to be a political commitment from national government and from local government to pay the living wage because otherwise individual operators do not have the revenue to cover the costs of investing in the living wage of their employees and staff. |
| Nathaniel | Yes we had actually, it was quite exciting, an announcement during Living Wage Week in November that our public service would start paying the living wage. So hopefully we’ll start to see that ripple effect more and more and a lot of the advice now from organisations like the Transport Agency Waka Kotahi to regional councils is saying that you have to pay your bus drivers, for example, the living wage. So that central directive can be really effective and we’ve just seen, I think last month, ECan [Environment Canterbury] has now started paying all of its bus drivers the living wage. |
| Paul | And once those steps are in place, competition starts to be your friend. Because if you are working in a workplace where they are not paying the living wage but there are opportunities with large employers who are paying the living wage, then you vote with your feet. And eventually, this is an example where a rising tide will lift all boats: that in order to get access to good staff because they have alternative options available to them, employers will have to pay the living wage. |
| Nathaniel | And this is something I’m really hoping we’re going to see in the hospitality sector, I guess particularly because it’s where I’ve worked in the past so it’s kind of close to my heart. But there’s so much short staffing at the moment because of the immigration restrictions and other reasons, I’m really hoping it will lead to that competitive increase in wages but I don’t think it has yet. |
| Sally | Well we might have our second song then, Nathaniel you have chosen ‘Straight to my Heart’ by Hans Pucket, was there a particular reason for this one? |
| Nathaniel | For me, as I said, this issue, it’s very close to my heart and it’s a band I really love, the members of this band, a couple of them grew up in Christchurch, they’ll be touring I think in April and yeah, just a great track. |
|  | **MUSIC BY HANS PUCKET – STRAIGHT TO MY HEART** |
| Sally | Today we’re talking about living the life we value with Nathaniel Herz-Erdinger from the Living Wage Movement Aotearoa and Paul Dalziel from Lincoln Agribusiness… |
| Paul | Economic Research Unit, AERU. |
| Sally | That’s right, the AERU. We’ve touched on a whole range of really interesting topics and just in this final segment, I’d like to think about some of the challenges and also, kind of, where to from here.  But just as we go into that, the government has really recently released its third iteration of the Living Standards Framework, which sets out, basically, a guide for how the government is interpreting wellbeing. Would that be a good way of putting it? And it’s set out a whole range of wellbeings, there are many, many wellbeings set out in that framework, one of which is GDP or I think it is called physical capital in that iteration. But also there’s only one domain in the personal level that’s around the income and that wealth generation on an individual level. So although that traditional sense of economic capital is obviously part of it, there are many other domains that are not that traditional economic wellbeing. I’d be really interested to hear, Paul particularly but Nathaniel as well obviously, how you think that the Living Standard Framework might be helping in the movement you are trying to push here and also, if we’ve got this kind of overarching guideline from central government, how does it actually play out on the ground, so to speak. |
| Paul | So the Living Standards Framework has been developed within Treasury over the last ten years now to help guide initiatives like the wellbeing budgets and its foundation is to recognise that New Zealand has a range of assets that contributes to wellbeing, including our natural environment, including having healthy and well-educated residents in the country, including the trusted connections between people at the social level. All underpinned by cultural values and intercultural exchange.  So the first thing that the Framework tries to do is to move away from simply focusing on physical capital and financial capital to understanding that that’s not all that contributes to wellbeing. It also then tries to acknowledge that wellbeing has a range of domains. So in New Zealand we have 12 domains in the Living Standards Framework, this is one more than the OECD in Paris has for its international equivalent and the difference is cultural identity as it was first called. And this is a recognition that in our country we have recognised the importance of cultural identity for wellbeing - and cultural identit*ies*, I should say, even in an individual person, a person might express a range of cultural identities according to their gender or their sexuality or where they live in the country and so on. And now this latest iteration has put into the middle of the diagram, what I would call human agency. So how do we come together as individuals and communities to foster wellbeing and to ensure that people have access to the material requisites for wellbeing that they need to live lives that they value and have reason to value.  So I think this is an important step forward. The government is not trying to hand out wellbeing like porridge with a ladle from a big cauldron, the government is focusing on what it brings to the table using taxpayers’ dollars to lay foundations that people can use in their communities as part of their active work to create wellbeing for themselves, their families and their communities. |
| Nathaniel | I think it’s great to recognise it’s not just about money, the amount of money that workers get because this is something that as an organisation we’re about building: the people power. I spend a lot of time talking to community organisations about what matters to them and so often they say okay living wage but what about housing issues, what about our arts culture in New Zealand, what about if you’re not working and then how do you get a living wage? So I think there’s just so many other aspects to it that when you start bringing people together in a room and talking about their experience, it’s not just about the money. |
| Paul | It’s probably worth recognising, too, that Treasury has created a second wellbeing framework to sit alongside the Living Standards Framework, that attempts to reflect indigenous understandings of wellbeing and the relationship between people and their whakapapa to the natural environment. And that creates additional insights about what comes first and it’s the natural environment, you know, we all grow out of the natural environment and Maralyn Wearing is somebody in New Zealand who has written a great deal on this topic. That when economists like myself talk about natural capital, we’re effectively putting the environment within an economic system that has been created by humans. Whereas the reality reflected in the Māori version of wellbeing frameworks, is that humans is just one more species that have grown out of our natural environment and the economic system has to reside within planetary boundaries.  So returning to the climate emergency: the economic system that we develop and foster needs to pay attention to planetary boundaries, otherwise there can be no wellbeing for future generations. |
| Sally | Fantastic. Thank you, that helped me kind of put that all in a bit of a framework actually. So just thinking about, then, some of the challenges to implementing things like the Living Wage Movement and wellbeing economics. What are some of the real challenges you are facing in your work? |
| Nathaniel | Well I think… I’ve been working for the Living Wage Movement now since June and I just happened to come at a good time when we were just getting the [Christchurch City] Council on board. I think one of the challenges whenever we’re doing something with building community power is keeping up the momentum and making sure people have a sense that, like, progress is being made and that all the work that they’re putting in with organising events and networking and building connections with people in power, that it actually pays off.  So I think that a big challenge is just keeping that moving and keeping up that sense of progress can be a really important part of it. I think we will face barriers as we maybe deal with the low-hanging fruit. So we get the councils on board, we get some of the bigger sectors on board and then the question I think will be, then what do we do? Then we’re facing not just getting a few big institutions in the city on board but we’re sort of maybe looking at things a bit more holistically and seeing you know, a lot of these big companies are involved but then we’ve got this whole economic system to deal with. So a lot of our community organisations are thinking, well then what? Sure, we have the living wage but with house prices and rent prices going up so high, you know, that’s barely enough to survive.  So I think a challenge for the Living Wage Movement is how can we see things holistically when part of our strength is having a really clear focus on one issue. |
| Paul | People at public meetings often ask what can we do to promote wellbeing economy and my answer always begins with the Living Wage Movement because that’s at the heart of the material requisites for wellbeing, that households and families need to be able to access material goods and services in order to create lives that they value and have reason to value. And we can try and invest in remedial policies when the economy doesn’t deliver that, but the fundamental way that the economy will deliver that is by creating jobs that pay a living wage and the longer that takes, the more difficult it will be to resolve some of these pressing social and community issues that everybody is worried about such as child poverty. |
| Sally | And intergenerational child poverty too, from what you’ve been saying, the long term effects of not being paid enough or adequately. |
| Paul | That’s right. The parents who are struggling now were children during the economic reforms from 1984 to 1994 and what we did then is we put a huge number of people into unemployment as we closed down the car assembly parts and reduced the number of processing plants in the agricultural sector and so on and those people had nowhere to go and so they were pushed into low-wage, low-skilled jobs and were unable to invest in the wellbeing of their children. And we are reaping the fruits of that policy two generations on. |
| Nathaniel | I think also, just thinking about that, the sort of challenges ahead, I think one of the issues of the Living Wage Movement that we’re really facing, I think and starting to face as I talk to more and more community organisations that had a lot of volunteers and do a lot of community services, is seeing all the hidden ways in which people’s work isn’t really being valued. It’s not necessarily a straight-up employment agreement but when you have a grant provider or a council providing money to a community organisation but not providing enough to actually pay the workers a minimum wage let alone a living wage, so there are all these ways in society in which people’s labour, you know, volunteer hours or childcare where it’s not even seen as labour, and then the question for us at the Living Wage is how do we make sure that those people’s work is actually also being valued? Because it’s a really big frustration that I see a lot of, you know, you have anti-poverty community organisations that find themselves paying poverty wages because they just can’t afford… they’re not being provided with the money from grant providers and from council to pay fairly. |
| Paul | This is an issue even within universities, there’s a big debate at the moment about the scholarships that are paid to PhD students and the wages paid to post-docs, you know, who have just finished their PhD and entering into the research community as fulltime workers. At the moment they don’t come anywhere near a living wage and they eroded over time and there is all of the rhetoric about needing to invest in high-skilled jobs, about investing in the knowledge economy, about valuing skills that people bring to their employment - and yet we are expecting these people in their mid-20s to subsist on income support for work well below the living wage. And hence I support this call to raise the payments made to people in that position. |
| Nathaniel | And we’ve actually just recently started really pushing to organise more on campuses and among youth organisations to try and get change in this areas that Paul is talking about. So if anyone listening is interested in that sort of work, please get in touch with me because I’d love to hear from you. |
| Sally | Very cool and just to finish up, looking forward, what are you hoping for? What would be your ideal scenario or something you’re hoping to attain? |
| Paul | So I’m old enough to remember the nuclear free movement in New Zealand where institution by institution, church by church, synagogue by synagogue, mosque by mosque, community group by community group, people put signs up saying that they were committed to a nuclear-free New Zealand, and then David Lange on the world stage declared New Zealand nuclear free. I’m seeing a similar process with the Living Wage Movement. Just business by business, sector by sector, community group by community group, council by council, people are committing themselves to paying a wage that invests in the future of our communities by giving households a living wage. And ultimately my vision would be that the economy is providing the material requisites of wellbeing because people are able to earn a living wage through the work of their hands. |
| Nathaniel | Yeah I couldn’t really put it better. I mean I’m really hoping that next year will be a really big year of growth for the Living Wage Movement where we bring lots more organisations into the fold and find out really a greater scope for the work that we do. Christchurch City Council are very close to being accredited, the Deputy Mayor Andrew Turner is going to put forward an idea about Christchurch as a Living Wage City and I think that’s a really lovely idea. That you know, not just a formally paid workers but also around artists and our community organisations, that everyone in the city actually has security in the work that they do and that allows them to be more spontaneous and more creative and give even more back to the city so that we can be a city of wellbeing and vibrant culture. |
| Sally | That sounds like a lovely vision for the future. Tēnā korua, thank you so much for coming into today and such a rich and varied discussion. |
| Paul | Thanks very much Sally, kia ora tātou. |
| Nathaniel | Thanks, kia ora. |
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