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To: The Productivity Commission

From: David King, Independent Public Policy Analyst

SUBMISSION ON INTERIM REPORT ON PERSISTENT DISADVANTAGE

Thank you for the opportunity to make a late submission on this very important report.

I was a senior public servant for 20 years. I am also a survivor of childhood trauma and as a result have suffered significant psychological pain throughout my life.

Consequently, I know intimately both how the public service operates and what it is to languish. I think, therefore, that I have an important perspective to offer on the issues you are considering.

My submission is in two parts:

- Part One: A Cry From The Heart
- Part Two: A Cry From The Mind

A cry is both a lament and a call to action. That is as it should be.

The two parts may not reconcile with one another. But both must be heard. That too is as it should be.

I wish you well with your consideration of submissions and the development of your final report.

Many lives lie in your hands; may that always be in your hearts and minds.

PART ONE: A CRY FROM THE HEART

Reading the Commission's Interim Report on Persistent Disadvantage and putting together my thoughts on the matters raised by the report has been one of the most heart-breaking experiences of my life.

I was extremely fortunate in my life. At a point when I was all but ready to end my life due to the traumatic experiences of my childhood, one phone call saved me.

That phone call, by my programme director at the University of Canterbury to a contact of his at the Treasury, landed me a job in January 1993 as a Trainee Analyst in the Treasury's strategy unit (known at the time, innocuously, as Policy Coordination and Development).

I landed in the world of public policy, a world I had known nothing about, but one where I quickly felt I had some skills that were useful and that could be deployed to make a difference in improving the lives of my fellow New Zealanders.

To demonstrate how naïve I was at the time, one of the top strategic priorities on the Treasury's and the Government's work programme was what was then called multiple disadvantage (which was conceptually very similar to the Productivity Commission's constructs of persistent and intergenerational disadvantage).

It was well-established, even at that time, that there were a non-trivial number of families who experienced a wide range of challenges and that children raised in those environments faced significantly elevated risks of adverse life outcomes.

It was also well-established that what was required to address multiple disadvantage were intensive 'wrap around' services provided by various, joined-up government departments in conjunction with communities and community groups. There was more of an open question then than now about precisely what would work best, but it was known that 'experiments' needed to be undertaken to identify what worked best and for the best to be rolled out nationally (while being tailored to local contexts).

In my naïve state, I thought to myself "I can relate to the challenges those families and those children go through – it's such important work; I hope I get the chance to work on addressing that issue before they solve it."

Some 30 years later it seems that nothing has been achieved. We know the same families exist and we know the same 'wrap around' services are needed, but those services are still not being provided despite multiple government initiatives over many years. And now we have a heavyweight Government organisation, the Productivity Commission, looking at the issue for the umpteenth time.

I know about all the challenges that are articulated within the public sector about how hard it is to address these issues. It is a wicked problem. We are dealing with a complex adaptive system. The public management system is oriented around vertical, not horizontal, relationships. The silos always win out over collective action; there will always be high transaction costs and free-riders.

And I know that the latest story we tell ourselves to explain our lack of progress is that we lost our 'spirit of service' and sense of being a team as a result of new public management theory, but that we are recapturing that spirit so that we can act together for the better through changes to the Public Service Act.

And I know that in another few years we will be telling ourselves a new story.

For it is all excuses. It is all lies.

The reality is that the issue has not been addressed because of a moral failure by New Zealanders, politicians and public servants.

At the heart of the moral failure is that middle New Zealand does not care enough about those who experience persistent disadvantage for it to make a difference to their voting behaviour.

And because it is middle New Zealand which decides the election, politicians on both sides of the political divide do not care enough about those who experience persistent disadvantage to make it a decisive factor in what they prioritise in their work.

And because politicians do not care enough about persistent disadvantage, senior public servants do not care enough about it to make addressing it a priority in their work.

The moral failure by middle New Zealand is abominable.

The moral failure by politicians is even more so; for they know that they are not really addressing the issues but say that they are.

But the moral failure of senior public servants is the greatest.

For these public servants, notwithstanding all the challenges, knew full well the issues were not being addressed and, if they had wished to, could have addressed them.

They consciously chose not to.

They chose not to because it was hard to work together.

They chose not to because it was actually easier enmeshing themselves in the urgent and in the excitement of power.

They chose not to because they did not care enough.

We need as a people, as politicians and as senior public servants to say we have failed morally.

We must look inside our hearts and minds and ask ourselves why we do not care.

We will most likely find that the answer is that we have been selfish and do not have love for those among our fellow human beings who suffer most.

And we must ask ourselves why this is. Is this a choice we have made?

If we find the answer is yes, then we must repent of what we have done – of the lives that have been lost or ruined as a result.

And then we must start again with new hearts.

And help those who suffer most.

I still believe we can do it.

But maybe I am still naïve.

I say all this acknowledging my own moral failure.

I too have not cared enough.

PART TWO: A CRY FROM THE MIND

Introduction

I congratulate the Commission on the breadth of perspective it has taken in approaching the issue of persistent disadvantage. As per Part One of this report, the public management system has achieved little on this fundamentally important issues over the 30 years I have been associated with it. Incremental changes will achieve little. A major rethink is necessary if anything significant is to be achieved in this area.

In what follows I offer my analysis of the issues in response to the analysis in the Commission's interim report.

Defining persistent disadvantage

I have some concerns about the definition of persistent disadvantage. I will not go into those in depth here other than to say that I think the definition is potentially so broad that it in effect creates a spectrum of persistent disadvantage. In the broad this is the right thing to do if the evidence is clear that all within the spectrum have a significantly increased risk of languishing.

But it is important to recognise that a spectrum has been created which will have a distribution in which there will be a category that may loosely be called extreme persistent disadvantage. Those who experience the extreme end of persistent disadvantage, as I understand the evidence, are much more likely to experience major adverse life outcomes and to create intergenerational extreme persistent disadvantage. This increased likelihood not only applies relative to the general population but to those with 'lesser' degrees of persistent disadvantage.

I consider it to be important for the Commission to be clear that there are degrees of persistent disadvantage and that there is a group experiencing extreme persistent disadvantage whom there is a particular obligation on us as a society to assist as we assist all who languish.

I know this risks being interpreted as saying some are more deserving than others and that this should not be the case. I agree and we should aim to address all need. But I am also realistic; in the medium term, as we undertake the great transition that is needed in our public management system, resources will remain scarce and there will remain a sad need for prioritisation even among those experiencing persistent disadvantage.

The Commission's analysis

The Commission's broad hypothesis is that persistent disadvantage stems from the values and attitudes (I prefer the term 'attitude', rather than the Commission's 'assumption', from a technical point of view) that lie beneath the surface of our society and which influence and/or constrain our public service in addressing persistent disadvantage.

The Commission does not specify what the values are that underpin our society; instead it describes a mind-set that it says is largely the result of colonisation, neo-liberalism and new public management. This mind-set creates a set of attitudes about human beings, how they behave and how they should be treated which pervades society and leads to persistent disadvantage.

The Commission does, however, point to five specific values which it considers are appropriate values by which to approach the world. By inference, it is these values that are lacking within society and which create the mind-set which leads to persistent disadvantage.

The Commission explicitly says that by adopting these values (and the mind-set or set of attitudes associated with them) we will be able to eliminate persistent disadvantage. In particular, by adopting these values we will address four key barriers that prevent the public management system from addressing persistent disadvantage: power imbalances, colonisation and racism, silos, and short-termism and status quo bias.

To achieve the change in our values and attitudes as a society, the Commission proposes a national conversation about our values be initiated. Understandably, it does not yet have specific proposals on how such a conversation should take place. It recognises, however, that to achieve such a change there must be bi-partisan support for the conversation and the resulting changes. And there must also be buy-in from Ministers and central agencies. Only then will the public service be authorised to make the necessary changes to eliminate persistent disadvantage.

In addition, the Commission suggests some specific changes to the public management system that will assist in system improvement, namely prioritisation of equity, wellbeing and social inclusion within policy making, funding frameworks and accountability settings, and ongoing monitoring and evaluation.

I consider the Commission's overall analysis to be correct in the broad, but that some very important qualifications must be made to it, as follows.

Our values and attitudes

The Commission suggests that the values we should adopt are:

1. Kotahitanga (unity) – by inference we value disunity
2. Whanaungatanga (positive relationships) – by inference we value negative relationships
3. Manaakitanga (care and respect) – by inference we do not care for and respect others
4. Tikanga (protocol) – by inference we do not value doing what is right
5. Tiakitanga (guardianship or stewardship) – by inference we do not value the long-term

In the broad I agree with these values as constituting those which should be affirmed. However, even though I have little time for New Zealand European culture (this being different conceptually from the best of European intellectual traditions), I think it unfair to cast the dominant culture to be essentially the opposite of these values. My assessment is that those in the dominant culture would be very happy to sign up to those values; the real issue lies in agreeing what it means to live out those values.

I would be very interested in the Te Ao Maori perspective on the extent to which pono (truth) and aroha (love) should be adopted as values also. I understand these to be overarching values (together with tikanga) within Te Ao and would suggest the dominant culture would sign up to them also (truth perhaps being more contentious given relativism). The question I ask is can we really achieve anything without aroha (to say nothing of pono)? I think that has been said before.

The Commission suggests the shift in attitudes needed are:

1. From "Economic growth is the goal" to "Moving beyond economic growth".
2. From "Everyone has the same opportunities, and some people are not deserving of support" to "Choices are constrained and everyone is deserving of support".
3. From "Everyone has the same political power" to "Power imbalances will not self-correct".

4. From “Short-term interests trump long-term investment” to “Long-term interests need attention”.
5. From “Government knows best” to “Public participation leads to better outcomes”.

In the broad I agree with the general direction of the proposed shift in attitudes (although I do not know what number 4 adds that is not already captured by the value of tiakitanga/stewardship). I think, however, considerable work needs to go into specifying more clearly the exact nature of existing attitudes and proposed new attitudes. Current specifications are very imprecise in some cases (for example, ‘moving beyond economic growth’).

I also think the case for these attitudes being as deeply embedded within the dominant culture is not as strong as the Commission proposes. No 2, in which I would claim to have a particular expertise, goes to the heart of views about personal and social responsibility where there are legitimate issues to discuss and navigate our way through; I think, to say that ‘some people don’t deserve support’ is the view of the entire dominant culture is unfair. I would like to see more evidence on these matters (this will be important if a meaningful national conversation is to take place).

Changing values and attitudes

Beliefs, values and attitudes are the foundations of culture. There is a huge literature on culture and cultural change. I have on several occasions during my career looked at this literature. To state it simply, changing culture is extremely complex, particularly at the national level.

Starting a national conversation about the values to adopt by saying that the dominant culture does not have the right values is probably not the best starting point. There are also risks associated with any cultural change process. It is very easy for good intentions to create much harm (through othering) and for revolutions to devour even their own children. Given New Zealand’s historic and cultural context, to say nothing of international intellectual developments, the waters to be navigated are challenging.

That said we must attempt to establish and embed appropriate values for us as a polity. I am happy to discuss further with the Commission the process of cultural change, how it might be undertaken and how the risks might be managed if it so wishes.

The public management system

It is important that the Commission, in considering its recommendations, fully understands the way the public service operates in practice, in particular in the purple zone which is the interface between Ministers and very senior public servants (first and second tier largely) where politics and policy blur. This is a matter about which there is no transparency in New Zealand. You will not find any ‘tell all’ biographies by very senior public servants about these realities. Most people within the beltway who are aware of the purple zone are deeply invested in keeping the reality of that interface quiet, because livelihoods and standing depend on it.

I was a third tier public servant for some 20 years. At that third tier level one sees the purple zone in operation and sometimes has to operate within it and in response to it, but does not have to be immersed in it unless one’s ambition is to move to the first or second tiers. At that third tier one also sees the reality of the lives of those at lower tiers who in the main are trying to do the best they can to deliver good services to the public.

I am willing to speak ‘on the record’ about the nature of the purple zone if there is any hope at all that, by doing so, changes will be made that might enable issues as important as persistent

disadvantage to be addressed. I do not lay out here a full analysis of what is involved because I have not yet completed my own work on the issues involved. It is sufficient, I think, for the Commission's purposes to state simply that both Ministers and senior public servants are deeply invested in working together to create the impression for New Zealanders that all is well and everything is on track. There is little constraint on their capacity to create a narrative which will minimise the chances of this illusion being shattered.

The result of this reality is that far too much of the time of Ministers and senior public servants is spent on reputation management rather than on ensuring the right things are being done in the right way to achieve the desired results.

As a consequence the specific suggestions that the Commission makes in regard to the operation of the public service will not make a meaningful difference to the way the public service operates. Senior public servants can (and will) initiate all manner of endeavours in response to the Commission's final report to align policy making, funding frameworks, accountability systems and monitoring and evaluation around wellbeing, thriving and mauri ora. But without changes in fundamental values and attitudes in society as a whole, these endeavours will be but a chimera, a new set of issues to be incorporated into the major part of the job, creating a narrative about how well everything is going. Meanwhile little that is substantive in terms of outcomes will change.

I say the above with deep respect for many very senior public servants (and many politicians of all stripes). The jobs senior public servants do are not easy and, under current values and attitudes, probably the best that can be done at those levels. For many I think a kind of false consciousness develops – a genuine belief that all is improving. For many, I think a choice is made that there may be a clash between espoused and actual values, but it is necessary to live with that tension because there is no alternative that is any better. For some, however, there is a conscious choice to play the game simply for the sake of the power and wealth that attends. I am afraid to say that my assessment is that this is the prevailing typology. It needs to be outed.

The only lever that the Commission identifies which may have some hope of changing the system for the better is to accountability systems around cross-agency issues. I note, however, that this is one area where the specifics of the Commission's proposals are limited (and awaiting proposals from the Auditor General) and my own thinking has not developed sufficiently in this area. What I can say, however, is that the power of money should not be underestimated in this context; an independent external assessment of Chief Executive performance in regard to cross-agency activity on which large sums of money are at stake (for example by a Commission for Persistent Disadvantage), might have some chance of working. I recognise this would be an unusual arrangement.

To the extent the Commission talks about the 'DNA' of the public management system that hard wires the way things are done, if there is no cultural variation in the purple zone then there will be no variation anywhere else in the system. It may just be that variation in values and attitudes could take place within the purple zone and replicate within wider society rather than the other way around. That would demonstrate true leadership.

I encourage the Commission to explore the issues I raise here with others willing to speak about them off the record. There are many who wish things were different.

Important but miscellaneous comments

A range of other thoughts occurred to me as I analysed the Commission's report. In no particular order they are as follows:

- Languishing and not thriving is a nomenclature that is too detached from the reality of acute and severe trauma and the pain associated with persistent disadvantage. Consciousness of the reality of that trauma and pain is necessary to drive commitment to freeing people from the impacts of that trauma and pain. Consequently, I would like to see more of the voices of lived experience of the persistently disadvantaged come through in the Final Report.
- Toxic stress and trauma are well-established frameworks for thinking about the nature of disadvantage and how to address it; I was surprised by how little they feature in the Commission's analysis and suggest the Commission explores this literature further.
- Disproportionality is clearly crucial to address, but we must not forget that every human being who experiences persistent disadvantage is a tragedy and that a large number of those human beings come from the dominant ethnic group. While addressing disproportionality, we must also address all persistent disadvantage.
- The public service seeks to reflect the diversity of the population as a means of better serving New Zealand. However, its measures of diversity are very narrow; it should be a priority to measure the extent to which people from backgrounds of persistent disadvantage occupy senior positions within the public service.
- Questions of meaning (which might loosely be termed spirituality) feature little in the Commission's framework for thriving or mauri ora; there is a well-documented crisis of meaning associated with modernity. I am not optimistic that without addressing this issue thriving will be achieved in the long term. The values and attitudes the Commission articulates go some way but not sufficiently to opening up these questions.
- Clarity about what we mean by equity is crucial; at one point the Commission expressly states it is seeking equality of outcomes (and not of opportunity). This is a very challenging goal to have and has risks associated with it. Some people enjoy better outcomes through higher intelligence, height and beauty; are we to adjust their outcomes to take account of these innate features? These are big questions that need to be carefully considered.
- Socioeconomic status and material wellbeing are significant determinants of persistent disadvantage in the Commission's framework. This may well be too narrow a conceptualisation. There is almost certainly under-reporting of family violence and child abuse in higher socioeconomic groups. Relatedly, we should not assume that all is well in the majority culture; dysfunctional cultures harm their own as well as others.
- Constitutional issues are technically out of scope of the Commission's report. But the Commission's report points to fundamental constitutional issues (including core values, who has power, and how power is exercised) being a big part of the potential solution. I recommend the Commission recommends the Government explore the constitutional issues involved (while, as always, being aware of the risks involved).

Conclusion

The Commission has made a hugely important and courageous contribution to opening up a discussion within New Zealand about how to address the reality of persistent disadvantage. Do not underestimate the challenge there is in addressing the issue. Nor the risks associated with doing so. I wish you well.