

Tēnā koe,

Please find below my submission on the interim report from the Fair Chance for All inquiry. It takes the form of a comment that I published yesterday afternoon on my substack, [A Place to Stand](#).

I believe that submissions closed on Friday 11 November, in which case I request an extension to the deadline and apologise for the lateness of this submission—I completed it as soon as I was able given other commitments.

Ngā mihi,

Alex Penk

Monday 14 November 2022

THE PRODUCTIVITY COMMISSION'S LATEST REPORT TRIPS OVER ITS OWN ASSUMPTIONS

It looks like we'll be waiting a while for solutions to disadvantage, or productivity

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There's a gaping hole in the latest Productivity Commission report. Can you guess what it is? I'll give you a clue: it begins with "p" and ends in "roductivity". The [report](#), an interim release from the *Fair Chance for All* inquiry, opens with a list of "commonly used terms." It takes the trouble to define the obvious—"assumptions", we are told earnestly, are "things that are generally accepted to be 'true'", while "social norms" are "implicit, unwritten rules, beliefs, attitudes and behaviours that are considered acceptable". But nowhere in this list will you find "productivity". Search the report for the term, and all you will find is vague hand-waving in the direction of productivity helping to achieve better life outcomes, the Commission's own name, and exhortations to pay less attention to productivity. All of which begs the question, if the Productivity Commission doesn't care about productivity, who does? And, less rhetorically, what's the point of the Commission?

A fair chance for all | Interim report

Paradigm	A paradigm is a set of concepts and theories that form a way of thinking that is shared by a group of people. In the context of this inquiry, it is the shared values and assumptions underlying policy goals, the nature of policy problems, and the instruments to address them.
Persistent disadvantage	For this inquiry we define this as when disadvantage is ongoing - for two or more years.
Power dynamics	Power dynamics describes how power affects a relationship between two or more people, or between different groups of people.
Public accountability (system)	The Auditor-General describes "public accountability" as being about public organisations demonstrating to Parliament and the public their competence, reliability and honesty in their use of public money and other public resources. And that the "public accountability system" helps provide the "social licence" needed for the public management system to deliver public services. The public accountability system also supports the development of trust within the public management system by establishing expectations for people (and teams of people), providing the necessary checks and balances, and encouraging proper behaviours and cultures.
Public management system (the system)	By "public management system" we mean: <ul style="list-style-type: none">the (evolving) set of organisations within government, and their functions and mandates;the policymaking process; and the public policy settings (eg, legislation, regulations and non-statutory frameworks) that are created and maintained by the public service;

Productivity goes here

An extract from the Commission's table of "Commonly used terms", pp. ix-xi

This isn't the only blind spot in the report, which comes from a Commission under relatively [new management](#). To be fair to the Commission, Finance Minister Grant Robertson set the terms of this inquiry, and perhaps its [other inquiries](#) into economic resilience and frontier firms will demonstrate

more care for the thing the Commission is supposed to care about. But this one caught my attention because I couldn't for the life of me see why the Commission would be looking into providing "a fair chance for all", which it describes as people living "fulfilling lives" or obtaining mauri ora, when there are already [so many other enquiries and initiatives](#) into exactly this. And while the Government set the terms, you can't help but feel that the Commission could have done more to stick up for productivity. After all, one of the report's few references to it notes that "encouraging productivity" was a priority for Robertson's first Wellbeing Budget in 2019, so it seems unlikely that a more robust treatment of productivity would have put the Commission out on a limb. But enough of that. Let's turn to the other major blind spots in the report.

Despite the report's concern for "fulfilling lives" and mauri ora, it treats actual people as bloodless abstractions. In a section titled, "Getting a good start in life is important" and noting that "adverse experiences" in early childhood lead to poor outcomes later, the report asserts that, "This discussion is not about the failure of parents to support their children. It is about factors beyond the control of parents that lead to inequitable access to the things children need to thrive". Not only is this article of faith hard to reconcile with other statements in the report—that parental abuse or neglect have devastating effects on children, for example—it reduces people to mere cogs in a machine. By this logic, nothing's ever our fault; we're just products of the system, in which case nothing we do matters. Of course these are complex issues with systemic elements, but stripping agency from the very people you profess to help, even in the name of non-judgmental compassion, does no-one any favours.



Citizens whose health and life satisfaction will be ensured by the social state.

This is the inevitable result of the report's overpowering emphasis on the system. Its prescription—of "joined up" services and whole-of-government approaches—is nothing new. It's been the language and the goal of policy-makers for years, an objective that regresses infinitely out of reach, which might tell you something about its attainability and its ability to make a meaningful difference to the people who need it. But the report forges on, unabashed, proclaiming that, "The purpose of government spending is to ensure citizens' health and life satisfaction" and that "The complex challenges we now face ... are well beyond the capacity of individuals and markets". The solution, apparently, is "the social state", which hasn't noticeably made things better in my lifetime, but which will apparently ensure that the undifferentiated mass of humanity is able to "survive and thrive" beneath the benevolent and unblinking eye of the technocrats.

Despite the report's early commitment to defining assumptions, it seems ignorant of its own. The report tells us, over and over again, that sole parents and broken families are more likely to experience persistent disadvantage, but you will search its recommendations in vain for any reference to this fact or any ideas to address it. Likewise, the report tells us that Māori and Pacific peoples are more likely to experience persistent disadvantage, but also that “Approximately two-thirds of sole parents and nearly three-quarters of Māori or Pacific peoples did not experience persistent income poverty or persistent exclusion in 2013 and 2018.” This intriguing finding could open a rich vein of inquiry. Why do some people become disadvantaged while others in the same group don't? Are there clues here about resilience, about helpful behaviour, about effective policy? Who knows? The report prefers to talk about factors like colonisation, systemic racism, power imbalances, redesigning the public management system, and the new holy trinity of diversity, wellbeing and inclusion. There's a horrible irony in an approach that professes so much concern for assumptions but is so lacking in self-awareness.

You'd have to have been asleep for several decades not to have heard the story the report tells so ponderously. People's lives are more likely to go pear-shaped if they don't have any qualifications or their relationships break down; Māori, Pacific peoples and people with disabilities are more likely to be disadvantaged than others. This shouldn't be news to anyone, and it isn't. Report after report after report has told us this. The real news is why the Government and the Commission should have invested so much in repeating this, and why the authors should labour so hard to tell us such obvious things (newsflash: “Where a child is placed into state care, they do not have a lot of power or agency”). I hate to think how much this inquiry is costing, and what else the money could have been spent on. If you can bear to wade through the turgid prose and force your way through the thickets of repetition, you will have learned very little—except, perhaps, that on this evidence the problems of poverty, and of productivity, are likely to remain unsolved for a while yet.

[NB: The comment above hyperlinks to another comment I published on the inquiry; for convenience, I have included it below]

PRODUCTIVITY IS TOO IMPORTANT FOR THE PRODUCTIVITY COMMISSION TO NEGLECT

The Productivity Commission needs to give itself a fair chance to do its job

Published 9 March 2022, <https://aplacetostand.substack.com/p/productivity-is-too-important-for>

New Zealand's economy “is [like a car stuck in first gear](#)” said the Productivity Commission in 2019. It reinforced this sobering assessment last year: our nation “has gone from being one of the most productive economies to [one of the least productive in the OECD](#).” Kiwis work longer hours to produce less than workers in other OECD countries. That affects our quality of life, from our ability to provide for ourselves and our families, to our capacity to volunteer in our communities, to our prospects of finding meaning and satisfaction in our employment. Oddly, then, the Commission's latest inquiry has a fairly tenuous link with productivity.



Source: New Zealand Productivity Commission, [Productivity by the numbers](#) (2021)

Whenever there's talk about something like productivity, some preliminary throat-clearing is required. Productivity isn't the be-all and end-all. That's also true of related fiscal and economic concepts like GDP growth and trading opportunities. We're not put on this earth to serve it like some kind of idol; productivity matters only because it can help us to live fuller lives. But that's no small or unimportant thing. As the Commission itself says, productivity growth supports higher material living standards, which supports current and future wellbeing, and it's "people with the fewest social and economic resources" who wear the biggest costs of unproductive economies. The Commission was established in 2010 to advise the Government on how to improve productivity, which the Commission [says](#) means producing better results at less cost: "getting more (output) for less (input), rather than by making people work harder, wearing out plant and machinery or depleting natural resources." The need to improve New Zealanders' lives by improving productivity has been common ground on both sides of the political aisle [since ages ago](#).

So it's perplexing to see the Commission devote its scarce resources and statutory mandate to investigating the causes of persistent disadvantage. This an important topic; it's less clear that it's a job for the Productivity Commission which has taken on the job in its latest inquiry, [A Fair Chance for All](#). For one thing, the link between productivity and persistent disadvantage isn't obvious. There are strained efforts to make it in the terms of reference that set up the inquiry, which is supposed "to generate new insights about the dynamics and drivers of persistent disadvantage, and the incidence/impacts across different population groups, including social and economic factors." But the requirement to consider how those impacts affect "productivity and economic performance" reads as something of an afterthought.

The first report released under the inquiry adds to the impression that the link between productivity and persistent disadvantage is strained. That report focuses on the need for and benefits of [collaborative social services](#); again, an important inquiry but one not closely linked to productivity. To be fair, the report says that "breaking the cycle of persistent disadvantage" can contribute to higher productivity—but that's true of many things. The report also stresses that:

Enduring solutions will require underlying causes, including colonisation, historic and current racism and power structures, patriarchy, and ableism, which are deeply embedded in New Zealand today, to be addressed.

It's not clear, to me at least, what the Productivity Commission should do about patriarchy. It's good for the Commission to take a broad view but when everything's about productivity, nothing's about productivity.

And it's not as though disadvantage is a neglected subject. There's been no shortage of official inquiries into poverty, inequality and exclusion. For example, the Welfare Expert Advisory Group and the Expert Advisory Group on Child Poverty have both produced significant reports in recent years. The Commission's Terms of Reference even recognise this directly, describing them as part of the "considerable existing evidence," along with material from the Tax Working Group. In fact, the Commission is told to "avoid duplicating parts of other major inquiries" like these. And with the Government's pivot to well-being Budgets and the Treasury's work on living standards, it's hard to see why the Productivity Commission should be joining such a crowded field.

I don't doubt the Commission's good intentions, but there is a significant opportunity cost to their approach. In May last year, the Commission highlighted the fundamental importance of innovation and technology to productivity growth and said we need more research into productivity measures, how productivity growth occurs, and how workers contribute to productivity. Just six months later, it launched an inquiry into the not-obviously-related field of persistent disadvantage. Productivity growth could help everyone live better lives, but we're failing to achieve it in any meaningful way. The Commission is the one organisation designed and created to fix this; they need to give themselves a fair chance to do their job.