

Government in the Economy Policy

This policy outlines the role of the Government in transforming the economy. In Government, the Green Party will tackle inequality through a fairer tax system, providing everyone with public services and infrastructure to meet their material, social, and cultural needs. We will limit our use of resources to live within planetary boundaries and urgently address the climate crisis. We will support Māori understandings and expectations of economic justice. We will retain and expand public investment in direct service provision and assets.

Vision

The economy equitably serves both present and future generations and cares for the natural world.

Values and Principles

Policy decisions must be consistent with the following values and principles:

- *Honour Te Tiriti o Waitangi*: Economic activity must support equity and self-determination for Māori while protecting all taonga.
- *Ecological Wisdom*: Our economy must urgently adjust to operate within environmental limits to ensure the natural world can continue to support human life.
- *Social Responsibility*: Economic benefits and burdens must be fairly distributed to enable all New Zealanders to participate fully in society and have their collective material needs met.
- *Appropriate Decision-Making*: The economy must be democratically managed. Communities and tangata whenua must have meaningful influence over decisions about economic activities that affect them.
- *Non-Violence*: Economic activity must not exploit or oppress peoples or environments. Any activity that negatively affects communities or environments must be minimised and mitigated.
- *Fiscal and economic transparency*: Economic reporting must be comprehensive, clear, reliable, and timely.
- *Creativity*: Creativity and innovation help us to reduce resource use and support collective wellbeing.

Strategic Priorities

The Green Party's strategic goals include:

"We want to transform our economy, replacing consumerism, consumption and growth with a non-polluting, regenerative economy that enables all people to thrive within nature's bounty."

Actions in this policy that will help achieve this include:

- Enabling the economy to respond urgently to the climate crisis and work within ecological limits, including by incorporating the true cost of environmental damage into the cost of doing business in Aotearoa New Zealand. (2.4.2)
- Substantially increasing government revenue and expenditure as a proportion of GDP to fully fund high-quality and universal health, education, accessibility, transport, and other social services, and to ensure everyone has access to adequate energy, housing, and food. (3.1.2)
- Enabling greater government borrowing for investing in infrastructure. (4.2.2.1)
- Expanding the progressive tax system to equitably tax wealth and all forms of income, such as through capital gains, land, wealth, and inheritance taxes, and eliminating tax on low incomes. (3.3.3)
- Developing Tiriti-based Public-Commons Partnerships that provide for collective management of, and equitable access to, shared resources. (1.2.2)
- Broadening the Reserve Bank's focus to ensure that it supports the economy and full employment while controlling inflation. (4.2.1)

Connected Policies

The big-picture approach of this policy is designed to enable more specific policy outcomes such as:

- Ensuring that the private sector can provide products and services that support wellbeing within environmental limits ([Business Policy](#); [Climate Change Policy](#); [Housing and Sustainable Communities Policy](#));
- Supporting resilient local economies ([Community and the Economy Policy](#));
- Ensuring that everyone in Aotearoa New Zealand has a sufficient income to meet their needs and participate fully in society ([Livelihoods Policy](#); [Workforce Policy](#));
- Growing the regenerative and circular economies through business tax incentives, support for local authority waste reduction initiatives and other measures ([Waste and Hazardous Substances Policy](#));
- Ensuring that everyone has access to high-quality, universal public services such as education, healthcare, accessibility assistance and public transport ([Education](#), [Health](#), [Transport](#), [Livelihoods](#) and [Disability](#) Policies);
- Ensuring that everyone has access to adequate food, energy, and housing ([Food](#), [Energy](#), and [Housing and Sustainable Communities](#) Policies);

- Ensuring that economic decision-making is responsive and evidence-based through independent evaluation, to manage the complexity and interconnectedness of the economy with almost every aspect of our lives ([Governance Policy](#));
- Ensuring that trade and investment frameworks specifically recognise ecological limits and the priority to rapidly reduce greenhouse gas emissions ([Global Affairs Policy](#); [Trade and Foreign Investment Policy](#)).

Specific economic sectors are also considered in separate policies, including [Energy](#), [Agriculture](#), [Tourism](#), [Forestry](#), and [Research, Science and Technology](#) Policies.

Policy Positions

1. [A colonial economy](#)

Issues

The current economic system is based on individual wealth and land ownership, a Western colonial idea that is inconsistent with Māori culture. The economic system grows the wealth of already wealthy individuals, at the expense of the natural world and other people - especially Māori communities who had many of their resources and lands taken away after Europeans settled in Aotearoa New Zealand, despite the text of Te Tiriti promising this would not happen.

Actions

- 1.1. Recognise and give agency to Māori understandings of economic justice, including by:
 - 1.1.1. Resourcing the widespread retelling of Māori and other narratives that counterbalance the narratives of neoliberalism, competition and consumerism, as appropriate;
 - 1.1.2. Ensuring government funding for health, education, housing, and social services is equitable for all people and addresses the specific needs of Māori communities;
 - 1.1.3. Committing every government agency to achieve and maintain social and economic equity for Māori; and
 - 1.1.4. Establishing and supporting economic initiatives led by Māori.
- 1.2. Ensure that Aotearoa New Zealand's economic systems enable Māori approaches to ownership, including by:
 - 1.2.1. Increasing resourcing for programmes that support Māori entrepreneurs, including funding initiatives, and capacity-building programmes; and
 - 1.2.2. Developing Tiriti-based Public-Commons Partnerships that provide for collective management of, and equitable access to, shared resources.

- 1.3. Ensure that Māori landowners can access the capital and planning needed to facilitate the development of Māori land, including by:
 - 1.3.1. Supporting a Māori-controlled fund that manages investment opportunities and improves access to investment capital for Māori;
 - 1.3.2. Requiring financial services to be accessible to Māori, provide equitable access to credit, and address discrimination; and
 - 1.3.3. Expanding the land ownership framework to recognise collective ownership and set environmental responsibilities.

2. Papatūānuku, the extractive economy and planetary boundaries

Issues

Globally, extractive economic activity is disrupting several Earth systems that support life, including our climate. Aotearoa New Zealand is no exception, with high per-capita greenhouse gas emissions and resource consumption. This also puts trade agreements and other international commitments at risk.

Actions

- 2.1. Reduce the structural dependence of our economic systems on growth.
- 2.2. Legislate to increase circular and regenerative practices in our economy.
- 2.3. Strengthen domestic markets, including by:
 - 2.3.1. Incentivising local initiatives;
 - 2.3.2. Removing wasteful subsidies; and
 - 2.3.3. Addressing exploitative monopolies.
- 2.4. Enable the economy to respond urgently to the climate crisis and work within ecological limits, including by:
 - 2.4.1. Regulating industries that cause significant environmental harm and removing barriers to sustainable alternatives;
 - 2.4.2. Incorporating the true cost of environmental damage into the cost of doing business in Aotearoa New Zealand; and
 - 2.4.3. Requiring commercial banks to lend and invest in a way that supports environmental, social, and governance goals.

3. Social inequality and material deprivation

Issues

In Aotearoa New Zealand and much of the world, a few people amass more and more wealth, while more and more people struggle to make ends meet. This is a result of the way our economic system is designed. Economic inequality threatens democracy, stability, health and education.

Actions

- 3.1. Ensure that economic settings support all New Zealanders to flourish, participate fully in society and have their material and collective needs met, including by:
 - 3.1.1. Reorienting economic frameworks and targets to focus on Māori concepts of wellbeing and reduce inequities;
 - 3.1.2. Substantially increasing government revenue and expenditure as a proportion of GDP to fully fund high-quality and universal health, education, accessibility, transport and other social services, and to ensure everyone has access to adequate energy, housing and food; and
 - 3.1.3. Establishing an independent advisory system to evaluate funding needs and effectiveness in collaboration with those with relevant lived experiences.
- 3.2. Ensure the financial sector is well-regulated and transparent in its operation, including by:
 - 3.2.1. Providing regular, comprehensive reports about the social and environmental impacts of economic activities;
 - 3.2.2. Regulating the financial sector to ensure that core financial services are readily available to all people in Aotearoa New Zealand; and
 - 3.2.3. Adequately regulating financial services, incentivising private savings, and fairly taxing windfall or excessive profits.
- 3.3. Ensure that the tax system lessens wealth inequality, ensures everyone pays their fair share of taxes, and promotes actions that benefit all, including by:
 - 3.3.1. Working collaboratively with other governments to broaden the taxation of international companies conducting business in Aotearoa New Zealand;
 - 3.3.2. Ensuring equitable marginal tax rates, including removing tax on the lowest incomes; and
 - 3.3.3. Expanding the progressive tax system to equitably tax wealth and all forms of income, such as through capital gains, land, wealth, and inheritance taxes.

4. Investment in collective success

Issues

Underinvestment in maintaining and updating public infrastructure has led to services failing. Population growth and climate change strain existing infrastructure, adding to infrastructure investment needs.

Actions

- 4.1. Sufficiently fund resilient infrastructure to support wellbeing, particularly in housing, water, energy, communication, and low impact transport, including by:
 - 4.1.1. Establishing a framework for public financing of long-term recovery from major natural disasters;
 - 4.1.2. Legislating for central government support for infrastructure for which local government currently carries responsibility, especially in areas with low population density and/or large non-resident populations;
 - 4.1.3. Revising budgetary frameworks to:
 - 4.1.3.1. Ensure infrastructure maintenance;
 - 4.1.3.2. Include social and environmental targets; and
 - 4.1.3.3. Better address the needs of future generations and the environment;
 - 4.1.4. Sustaining public ownership of services, infrastructure and assets for the public good; and
 - 4.1.5. Requiring evidence-based medium- and long-term plans to fund and provide public services and accessibility. These must meet increases in population, demand, costs, and expectations, and provide for environmental, social, cultural and economic wellbeing.
- 4.2. Ensure that economic settings support a stable economy and encourage investments that help local communities and protect the environment, including by:
 - 4.2.1. Broadening the Reserve Bank's focus to ensure that it supports the economy and full employment while controlling inflation; and
 - 4.2.2. Reforming the Public Finance Act to support the long-term well-being of people and the environment, including:
 - 4.2.2.1. Enabling greater government borrowing for investing in infrastructure;
 - 4.2.2.2. Avoiding arbitrary limits on government debt and expenditure;
 - 4.2.2.3. Adding a new aspect of revenue strategy that ensures adequate revenue in the long term to pay for necessary investments; and
 - 4.2.2.4. Reframing 'fairness' to encompass a more equal distribution of wealth and economic power.

