Economic & Social Welfare: The Green Party VS The ACT Party

The twenty-twenty New Zealand general election and the resulting campaigns of political parties demonstrated a stark contrast in parties' proposed policies & trade-offs. The ACT Party (AP), a neo-liberal, right-wing party, and the Green Party (GP), an eco-conscious left-wing party demonstrate this contrast best.

The GP campaigned on introducing a new wealth tax and increasing income tax for top earners. (Green Party of Aotearoa New Zealand, n.d.b) The revenue from tax reform would fund the social welfare overhaul. The flagship policies of the proposed social welfare reform were a guaranteed minimum income for the unemployed, set at 325 per week, and a universal child benefit, set at 100 per week per child under three. (Green Party of Aotearoa New Zealand, n.d.a) Describing *trade-offs* Bahmanteymouri (2023) states “to get one thing, we usually have to give up another thing”, choices we, as a society or individuals, make on what is most worth pursuing and prioritising. The GP demonstrates the trade-off between economic growth and equity. Through the proposal of new taxation on those most well-off, and a welfare system overhaul that increases welfare spending, the GP demonstrates that their priority is equity and just wealth distribution.

In stark contrast, the AP's economic and social welfare policy reduces taxation by introducing a new two-tier income taxation system. Under this system, those earning under seventy thousand dollars pay income tax at seventeen and a half per cent, and those above the threshold pay at twenty-eight per cent. (Act Party, n.d.a) Furthermore, the AP has proposed the introduction of Electronic Income Management (EIM) for certain welfare users, such as individuals who whilst receiving a benefit have more children. (Act Party, n.d.b) EIM would restrict how money received from welfare programmes can be spent. This system would also apply to those receiving Jobseeker payments for seventeen weeks. Consecutively, aside from

EIM, these individuals would also lose access to Jobseeker payments and need to regain their eligibility by participating in off-benefit work at a rate of three work weeks per benefit week. (Act Party, n.d.b) In clear opposition to the GP, the AP demonstrates that they are willing to trade off equity and just wealth distribution for economic growth, as economic growth is their sole focus.

In conclusion, as a society, we are faced with choices about what trade-offs we are willing to make and what policies and outcomes we would like to prioritise. One such example is the trade-off between economic growth and equity. As demonstrated, the AP prioritises economic growth at the cost of equity, and in contrast, the GP prioritises equity.

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