

# #localismNZ

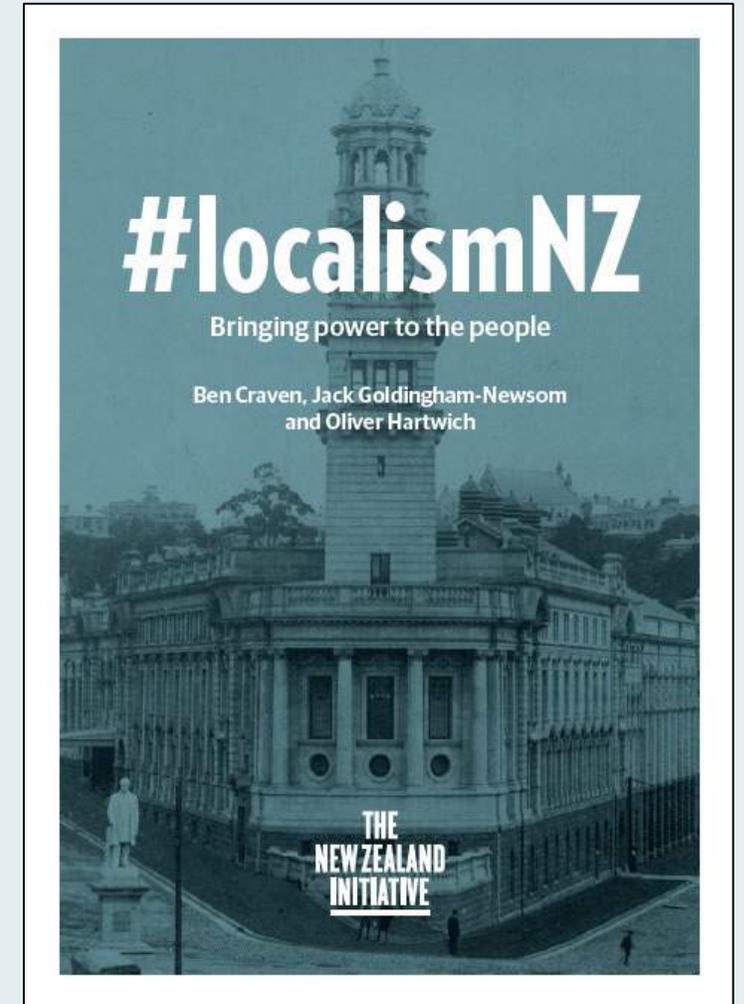
*Bringing power to the people*

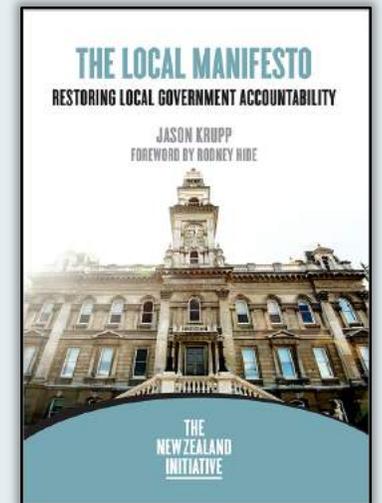
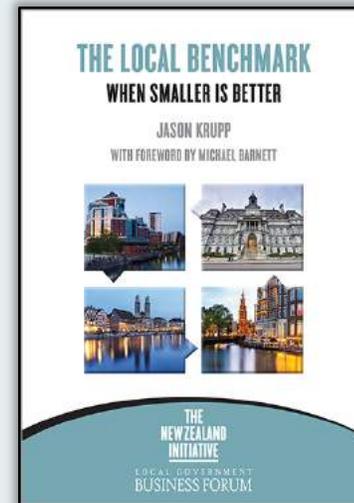
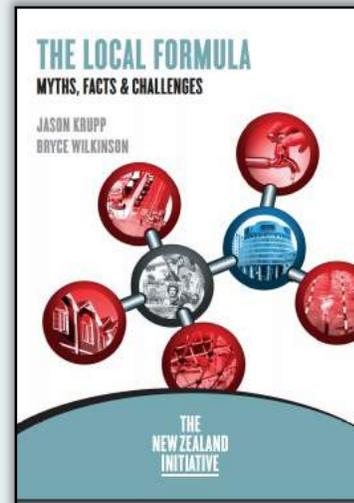
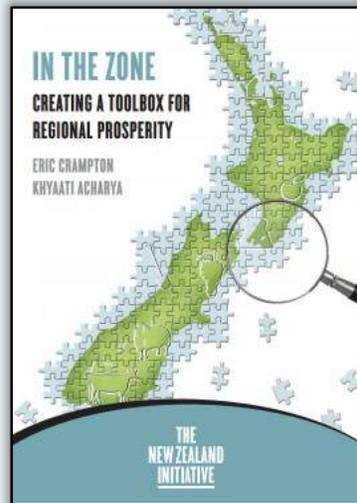
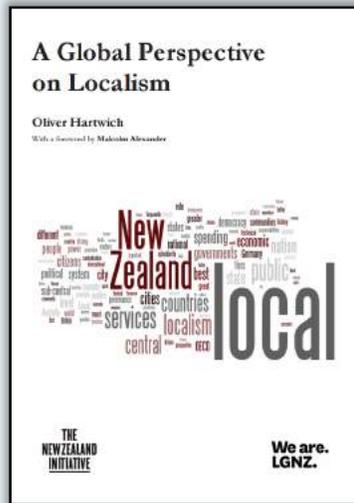
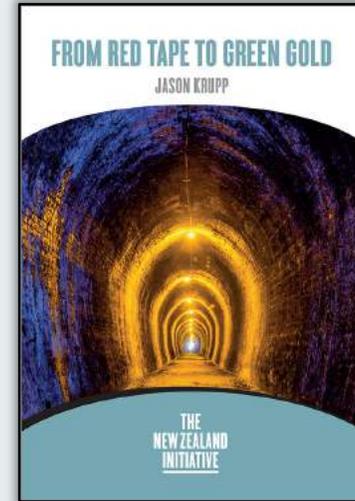
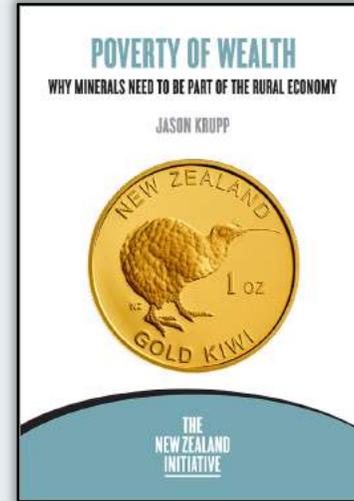
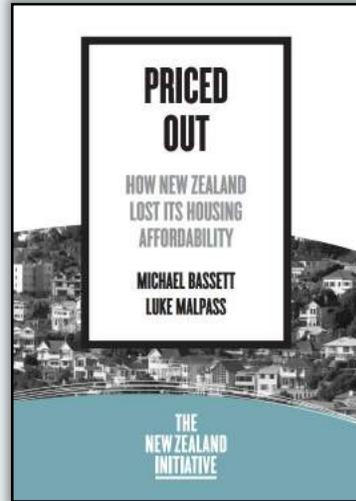
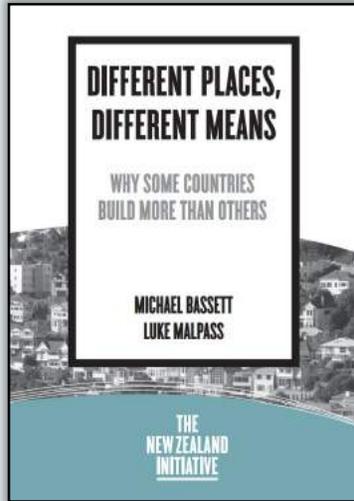
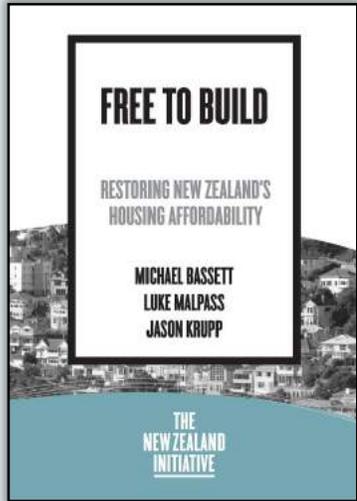
**Dr Oliver Hartwich**

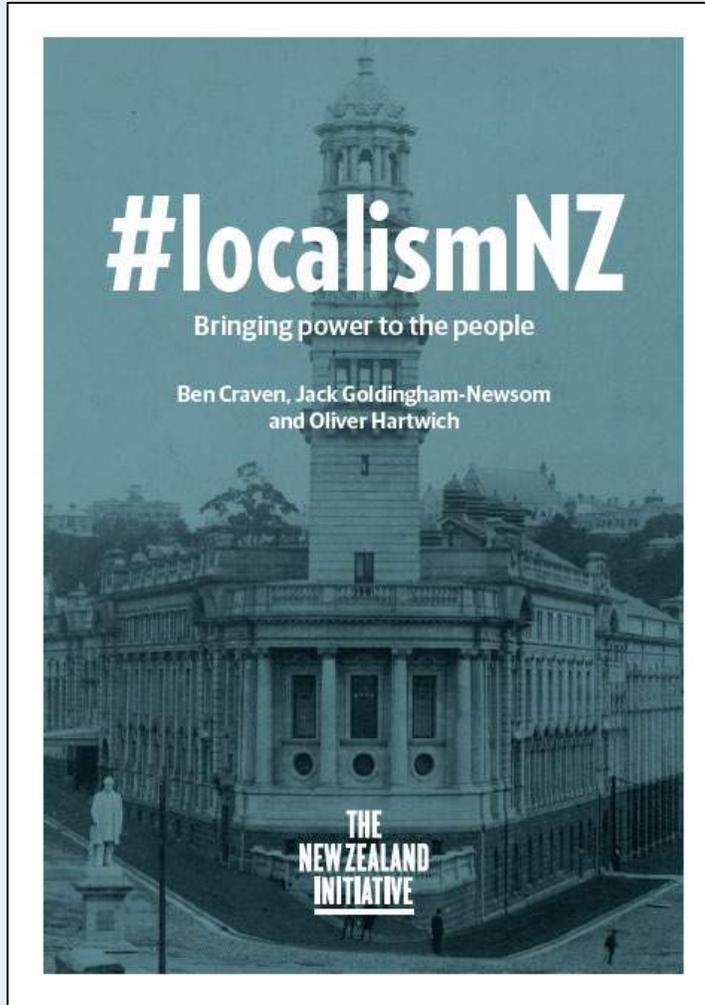
Executive Director

The New Zealand Initiative

Wellington, 28 February 2019







# Localism: New Zealand's forgotten history

THE LEGISLATIVE COUNCIL.  
DEBATE ON THE MUNICIPAL BILL.

The Attorney General, after glancing at the provisions of the Bill, proceeded as follows:—

From the physical character of the country, it was evident that New Zealand would be colonized at various points, almost all of them virtually, at a distance from the capital. Under such circumstances, to adopt the language of the preamble of the Bill, "the inhabitants themselves are best qualified, as well by their more intimate knowledge of local affairs, as by their direct interest therein, to provide for the wants of their respective settlements." But colonized as New Zealand was, and would be, it was quite essential that each settlement of importance should be given the power of regulating its own local affairs. The central Government would thus be deprived of the power of partiality in its legislation; it would be relieved from the necessity of much petty legislation, while at the same time, the prosperity of the country at large would be promoted by the honorable rivalry which would spring up among the various settlements thus entrusted with the unfettered management of their own local affairs, every settlement would be more or less attractive to trade, capital, and commerce, in proportion as the internal regulations of its town were well managed, its harbour good, and the navigation of its port safe, easy, and commodious. Such were the general objects and principles of the Bill. How far the provisions of the Bill were calculated to effect its object, he, the Attorney General, must leave to the determination of the Council. He felt confident, however, that when fully

Local knowledge



Incentives



Subsidiarity



Competition



# Burke's 'little platoon'

“To be attached to the subdivision, **to love the little platoon we belong to in society**, is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love to our country, and to mankind.”

Edmund Burke, *Reflections on the French Revolution* (1790), Paragraph 75



# Tocqueville's 'spirit of liberty'

“Local assemblies of citizens constitute the strength of free nations. **Town-meetings are to liberty what primary schools are to science**; they bring it within the people’s reach, they teach men how to use and how to enjoy it.

A nation may establish a system of free government, but without the spirit of municipal institutions it cannot have the **spirit of liberty.**”

Alexis de Tocqueville, *Democracy in America, Volume 1* (1835), Chapter XVIII.



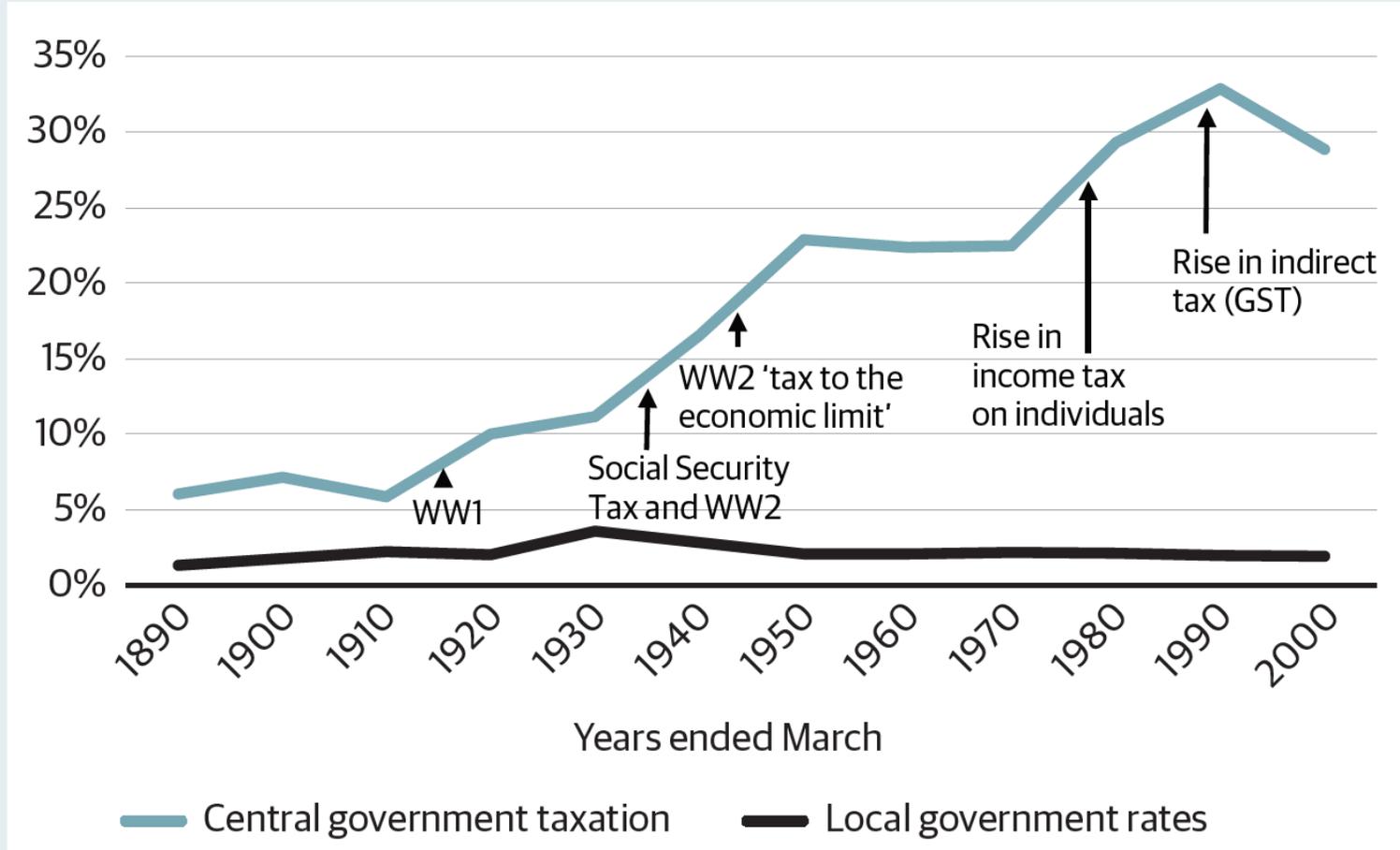
“Most of economics can be summarized in four words:  
‘People respond to incentives.’ The rest is just commentary.”

Steven E. Landsburg, *Armchair Economist: Economics And Everyday Experience* (1993)

## Localism is about:

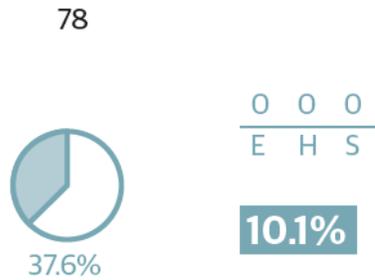
- Bringing government closer to the people (subsidiarity principle).
- Aligning the incentives local and central government face.
- Ensuring local government promotes economic growth by letting it benefit from it.
- Allowing local government to find local solution to local problems.
- Strengthening public participation and local democracy.

# Localism: New Zealand's lost legacy



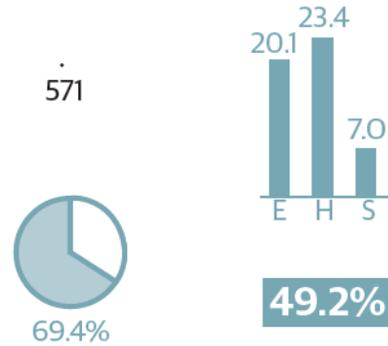
Taxation as a percentage of GDP in New Zealand

## NEW ZEALAND



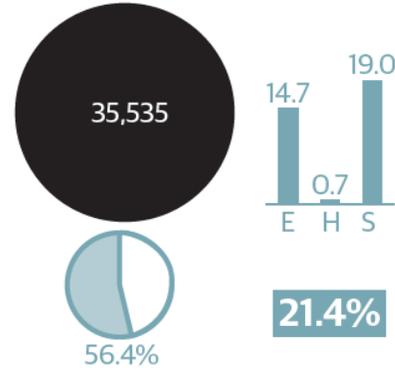
Population: 4.8 million  
Average municipality size: 68,970

## AUSTRALIA



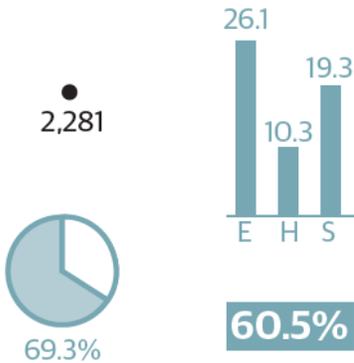
Population: 24.13 million  
Average municipality size: 42,026

## FRANCE



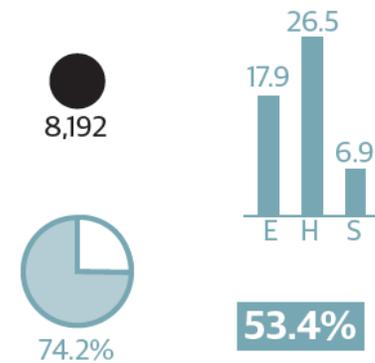
Population: 66.9 million  
Average municipality size: 1,872

## SWITZERLAND



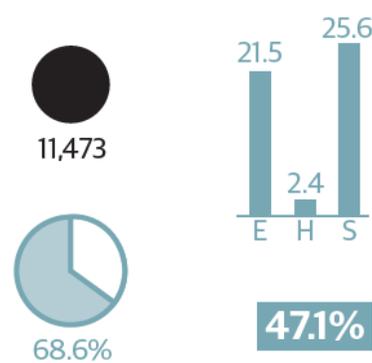
Population: 8.37 million  
Average municipality size: 3,673

## SPAIN



Population: 46.56 million  
Average municipality size: 5,714

## GERMANY

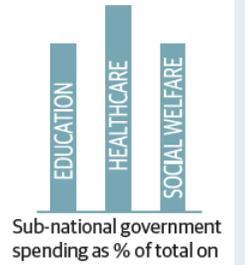


Population: 82.67 million  
Average municipality size: 7,389

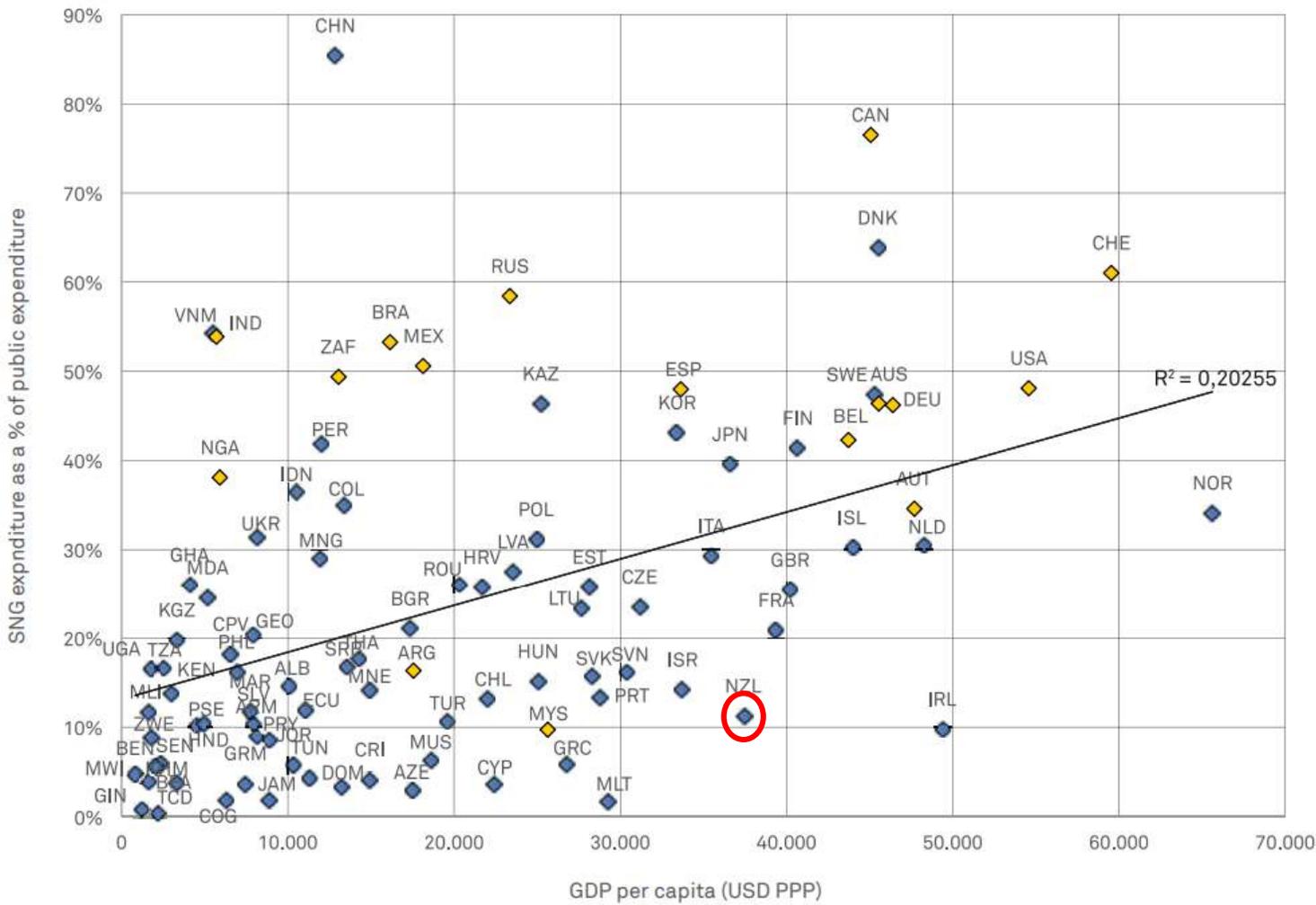
## LEGEND

Number of local government bodies

Sub-national government investment as a percentage of general government investment



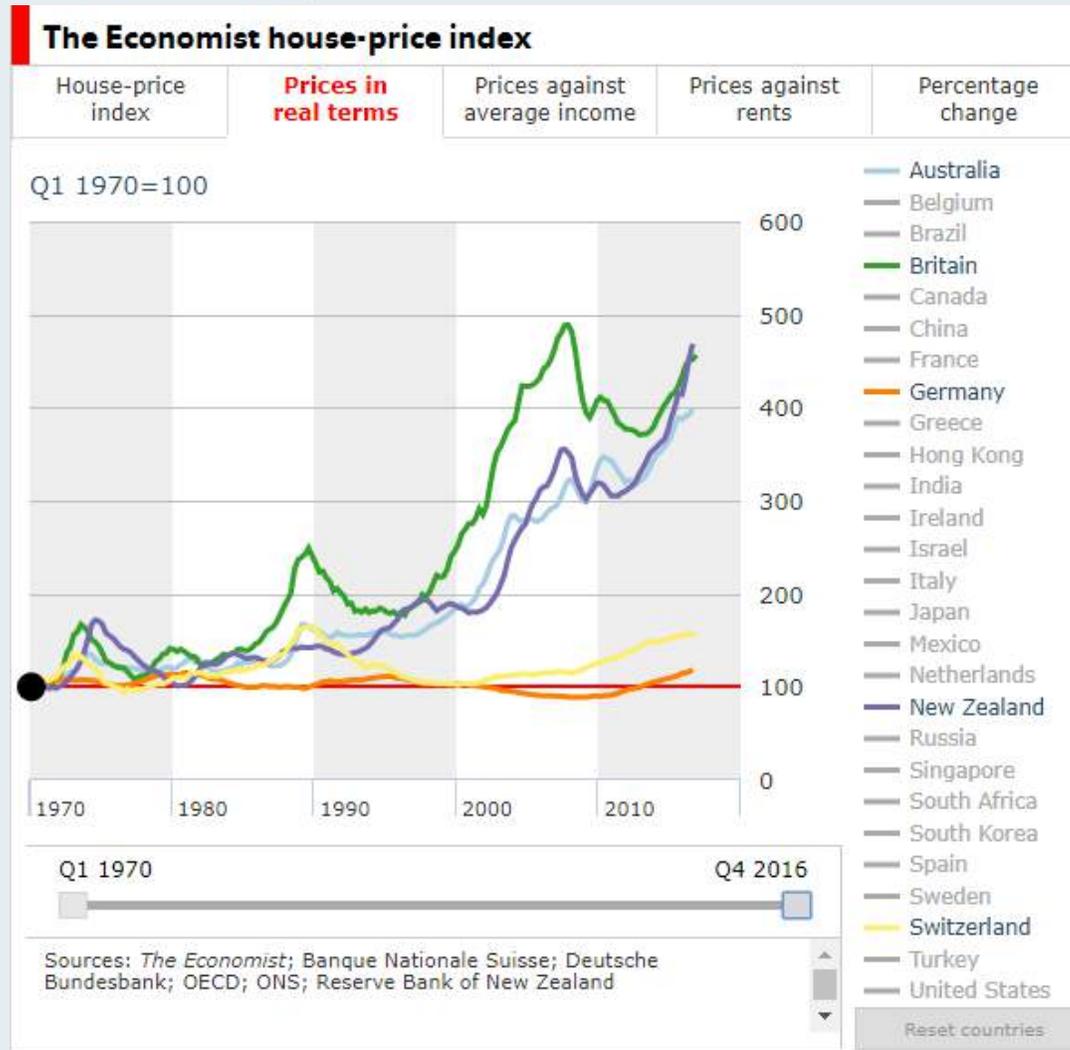
Sub-national government revenue as % of total government revenue **10%**



“If we compare the level of spending decentralisation, measured by the share in GDP or in public spending, with the GDP per capita, there seems to be a positive correlation (Figures 10 and 11). It means that most decentralised countries seem to have the highest GDP per capita while the most centralised countries would have the lowest.”

OECD, *Subnational Governments around the world: Structure and finance* (2016), p. 24

# Localism keeps housing markets stable

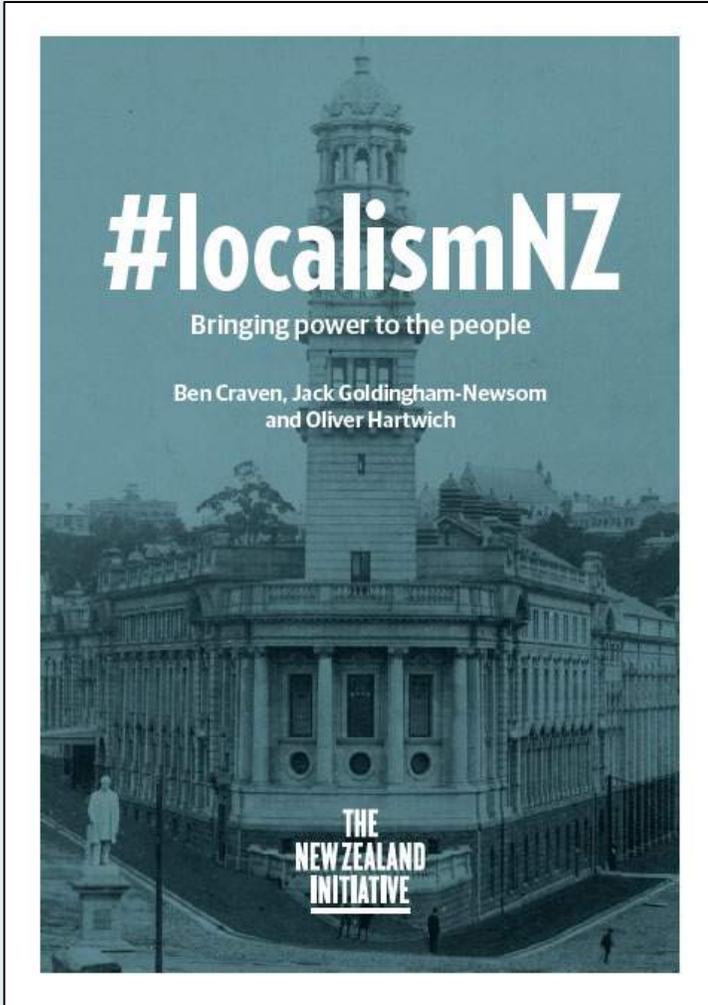


Source: The Economist House Price Index, <https://infographics.economist.com/2017/HPI/index.html>

## Localism is ...

- Conducive to promoting economic growth and prosperity;
- It can help solve the housing market;
- It is the best answer to nimbyism;
- It is a positive proposition to voters across New Zealand;
- It is compatible and probably popular with Maori;
- It is a genuinely new and exciting proposition to New Zealand.

**Power to the people!**



Dr Oliver Hartwich

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