

WSWS/ISSE meeting discusses austerity measures in New Zealand

Our correspondents
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The *World Socialist Web Site* and the International Students for Social Equality held a meeting in Lower Hutt, a working class area of New Zealand's capital city Wellington, on July 12. The meeting, on the topic "The New Zealand budget and the fight against austerity," brought together an audience of young and older workers and unemployed.

In his report, WSWS correspondent John Braddock began by reviewing the main points of the budget handed down in May by the conservative National Party government of Prime Minister John Key.

The speaker explained that it was the first budget in two decades to deliver no overall increase in spending. It had outlined \$NZ1.2 billion in cuts over the next four years, particularly to welfare, retirement funds and the public service. The government would raise up to \$7 billion—and provide a windfall for corporate investors—through asset sales. To placate the fears of international creditors, Finance Minister Bill English had pledged that the cutbacks in the budget would ensure a return to surplus by 2014-2015.

The budget, however, had been crafted with an eye to the election due in November. The cuts had been couched as "modest changes" that would be introduced over "a long period." After the election, Braddock warned, further cuts would be carried out.

The initial measures would nevertheless severely impact on the living standards of the working class, which was already enduring stagnant wages, significant unemployment and a crisis-stricken health system. In the past few weeks, Braddock noted, another round of job losses had been announced—many of which would

affect workers in the Hutt Valley—in the public service, defence and the railways.

Braddock stressed that the assault on living standards could only be understood as part of a global offensive against the working class. In the wake of the 2008 financial crash, governments everywhere had bailed out the banks and institutions responsible for the rampant and often criminal speculation that had caused the crisis. The losses of the financial elite had been transferred onto public balance sheets, and this had led to the demands for savage budget cuts to reduce deficits and debt.

The speaker explained that the austerity policies amounted to a global social counter-revolution. Wages and conditions were being slashed and the welfare state was being dismantled in order to protect the profit interests of the banks and major corporations.

Braddock said the key role in imposing austerity across Europe was being played by the social democratic and Stalinist parties, with the direct assistance of the trade unions. The unions had channeled opposition into limited national protests and blocked any direct struggle for political power and against the capitalist system itself. They had been abetted by the various ex-left groups, such as the New Anti-Capitalist Party in France, which had insisted that workers remain subordinated to the union apparatuses and protest politics.

The speaker noted that similar processes were under way in New Zealand. Under conditions where the Labour Party was correctly viewed by the working class as indistinguishable from the ruling National

Party, and was languishing at 27 percent in the polls, the ruling class was seeking to develop new mechanisms to trap workers and youth within the parliamentary set-up. A layer of the pseudo-left was promoting the recently formed Maori nationalist Mana Party, falsely presenting it as a progressive alternative.

Braddock stressed that there was no solution to the failure of the capitalist profit system within the framework of parliamentary politics and the nation-state. The most urgent issue was the question of leadership and perspective. Braddock said workers had to turn to the development of a mass independent movement of the working class that would fight to defend its fundamental interests on the program of socialist internationalism.

“The WSWS and ISSE and the Socialist Equality Parties around the world represent the only political force that fights on a unified global basis for such a program,” Braddock concluded. He invited those in attendance to study the program of the International Committee of the Fourth International (ICFI) and to seriously consider joining and building a section of the ICFI in New Zealand.

The report was followed by a wide-ranging discussion. One worker asked if the National government’s overwhelming lead in opinion polls indicated widespread “apathy” in the working class. ISSE members responded by explaining that, on the contrary, it was evidence of a collapse of support for the Labour Party “opposition” and the lack of any existing alternative. The repudiation of Labour was the outcome of decades during which all the institutions of the official labour movement had betrayed and suppressed the struggles of the working class, and imposed the corporate dictates for the slashing of jobs, wages and conditions.

Other issues discussed included the implications of the rise of China, the role of the media and the prospects for renewed imperialist wars.

Following the meeting, the WSWS spoke to two people who attended.

Vivienne, a retiree, said she was angry about the “betrayals of the Labour Party” and had come to the meeting because she was looking for an alternative. She had experienced the Lange-Douglas Labour government’s pro-market “reforms” in the 1980s and had seen the “devastating effects they had on the lives of ordinary people.” Vivienne said she was also angry at the unions, which had “either been paid off or neutralised.” She described herself as an “egalitarian” who was “distressed at the growing wealth gap.” Vivienne hoped things were at a “tipping point” that would see the working class brought back into struggle.

Dave, a NZ Post worker, said he was particularly concerned about the fate of the youth. He said that unless the working class successfully mounted a struggle to defend living standards, young people faced a bleak future of “unemployment, poverty and lack of housing.” Dave said politicians of all stripes simply “carry out the orders of big business and overseas investors.” He cited the recent case of New Zealand actors working on the Peter Jackson “Hobbit” films, who lost their collective bargaining rights after being declared “independent contractors” in a law rushed through parliament.



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