

# Support for Labour slumps ahead of New Zealand poll

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After trailing the ruling National Party since losing office in 2008, the Labour Party's approval ratings have slumped further just two months from a general election in New Zealand due on November 26.

Labour is facing an electoral debacle, with the latest Fairfax Media poll on August 31 showing support for the party at just 25.7 percent. The *Dominion Post* reported continuing leadership speculation and caucus ructions over leaks suggesting that party leader Phil Goff had consulted his front bench about whether to quit.

Currently, the main beneficiary of Labour's latest decline is the Greens, which almost doubled their support to 11 percent. The Nationals were up marginally from 56.1 to 57.1 percent, enough to make it the first party since 1993 to be able to govern in its own right. The number of undecided voters also increased to 16.2 percent, from 12.1 percent a month previously.

The election could produce the worst result in Labour's history. The only comparable defeats were in 1990 and 1996. The first of these followed the collapse of working class support due to the devastating impact on living standards of the Lange-Douglas Labour government's pro-market program in the 1980s. Labour support had not recovered by 1996, the first election held under the system of proportional representation, which favoured smaller parties.

Labour only returned to office in 1999 and held power under Prime Minister Helen Clark until 2008. Clark continued to implement the demands of business, with scanty "progressive" window-dressing to deflect public opposition. Labour achieved record budget surpluses by slashing public spending to among the lowest levels proportionately in the Organisation for Economic Co-

operation and Development (OECD). A 2007 OECD report showed New Zealand workers were paid in the bottom third of all developed countries. Meanwhile, windfall profits on the share market saw the rich increase their net worth at a greater rate than during the previous decade.

These processes only accelerated after 2008 under the National-led coalition of Prime Minister John Key. The official unemployment rate is currently 6.5 percent, and 27.6 percent for 15-19 year-olds. Wages rose by just 1.9 percent over the past year, while food prices increased 7.9 percent, in part due to the lifting of the Goods and Services Tax (GST) from 12.5 to 15 percent.

The gap between rich and poor continued to widen after the government cut company taxes from 30 to 28 percent and the top personal rate dropped from 38 to 33 percent. The country's wealthiest 151 people, including multi-millionaire Key, have increased their combined wealth by \$7 billion, or 20 percent, over the past year. At the same time, one in four children lives in poverty.

The ongoing slump in support for Labour is testimony to the fact that broad sections of working people no longer view it as even a "lesser evil" compared to the Nationals. In a by-election last November for the previously safe Labour seat of Mana, the party barely scraped back after suffering a 14 percent swing against it. Low voter turnout was further evidence of disenchantment with Labour.

Labour leader Goff is now cynically trying to promote the party as the "friend" of working people. His initial election policy pronouncements include removing the GST from fruit and vegetables, lifting the minimum wage from \$13 to \$15 an hour, making the first \$5,000 of income tax free, and opposing National's plans for further

privatisation and a capital gains tax.

Goff is trailing behind Key in the opinion polls as preferred prime minister by a massive 8.5 percent to 54.6 percent. As a minister in the Labour governments from the 1980s, he is responsible for savage attacks on the working class. According to the *New Zealand Herald*, Goff is described by party insiders as a “convincing salesman” for “Rogernomics”—the regressive pro-market agenda of former Finance Minister Roger Douglas. Goff was instrumental in securing party support for the GST. As education minister, he was responsible for introducing tertiary tuition fees. A recent OECD report showed that university fees in New Zealand are now among the highest in the world.

Goff was also defence minister in the Clark government and oversaw New Zealand’s aggressive interventions in the Asia-Pacific region in collaboration with the US and Australia. Under Goff, New Zealand dispatched military forces, in defiance of widespread anti-war sentiment, to neo-colonial operations in East Timor, Afghanistan, Iraq and the Solomon Islands.

Labour has increasingly rested on layers of the middle class that profitted from the speculative boom in share and property prices from the 1990s. Labour won the 2002 and 2005 elections, primarily by making inroads into safe National seats in relatively affluent areas. In the wake of the 2008 global financial crisis, Labour adopted a bipartisan approach with the newly-elected National government to prop up the country’s banks, rein in debt and impose austerity measures on working people.

Far from having any fundamental disagreement with National’s policies, Labour’s carefully calibrated response amounts to minor tinkering with its pro-business program. Labour’s “opposition” to National’s asset sales is typically hypocritical. After selling off major chunks of the public sector at bargain basement prices in the 1980s, Labour has no intention of reversing the process. It does not oppose further privatisation but simply calls for shares not to be sold to foreign buyers.

*NZ Herald* financial commentator Brian Gaynor recently noted that the country’s top 10 share market listings include six former publicly-owned companies. Every year, they accumulate enormous profits by charging ever-more exorbitant fees for basic services such

as telecommunications, transport and electricity.

The growing opposition and hostility to the policies of Labour and National has been exploited by various third parties, particularly the Greens, who posture as defenders of social justice and the environment. Their current campaign includes an election promise to bring 100,000 children out of poverty by 2014. The Greens, however, are defenders of capitalism and helped prop up the Clark government, including support for its budgets and their anti-working class measures.

Significantly the Greens are now signalling a possible accommodation with National, voting recently in parliament for the government’s limited environmental safeguards for controversial deep water gas and oil exploration. The Greens had previously ruled out working with National in any sort of coalition deal, but now say that although a deal is “highly unlikely,” it is not completely out of the question.

All the capitalist parties, including Labour and the Greens, are committed to the austerity agenda being implemented on a global scale. That is the program that will be imposed on working people by the next government, whatever the outcome of the November elections. Workers need to develop their own movement, independent of Labour and the unions, to fight for their basic rights, including jobs and decent living standards. That can only be done on the basis of a socialist and international program and the building of a new revolutionary party as a New Zealand section of the International Committee of the Fourth International.



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