

New Zealand: State asset sales and the dead-end of Maori nationalism

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New Zealand's conservative National Party government passed legislation in June to sell off 49 percent of four state-owned energy companies and reduce its stake in Air New Zealand to 51 percent. It intends to begin selling shares in Mighty River Power later this year.

The partial privatisations will provide a windfall for the corporate elite. In the case of Mighty River Power, the government expects 200,000 individuals (less than 5 percent of the population) to buy share parcels of \$2,000 or more. Most shares will end up in the hands of corporate investors, either directly or indirectly.

As an additional transfer of wealth to the rich, the government plans to give away shares worth hundreds of millions of dollars as a "loyalty bonus" to long-term investors.

The asset sales are part of an economic restructuring program to make the working class pay for the global economic crisis. The government has cut taxes for the rich, while increasing the regressive Goods and Services Tax. Since 2008, it has retrenched more than 3,000 public sector workers and slashed spending on public healthcare, welfare and education.

The opposition Labour Party and the Greens agree with the thrust of National's policies. They support the GST increase and public sector cutbacks, while attacking the government for refusing to raise the retirement age and force people to work longer.

Labour and the Greens have postured as opponents of the privatisations, but their only objection is to shares being bought by foreign, rather than local, investors. Together with the Maori-nationalist Mana Party, the right-wing populist NZ First, the Council of Trade Unions and various pseudo-left groups, they have held nation-wide protest rallies, most recently on July 14, under the nationalist slogan "Aotearoa

[New Zealand] is not for sale."

The July 14 rallies were used to promote a "Keep Our Assets" petition intended to trigger a referendum over the sales. Polls suggest that about 80 percent of respondents oppose privatisations, which will impact on jobs, conditions and electricity prices. The government has signalled that it will ignore the outcome of any referendum.

The bogus character of the opposition by Labour and the Greens is underscored by their refusal to pledge to re-nationalise the assets if they win the 2014 election. The rally organisers passed toothless resolutions declaring Mighty River Power shares an "unethical investment" and calling on individuals to boycott the sale.

With the fraud of Labour's opposition becoming apparent, the Mana Party, the Greens and the unions promoted legal action by indigenous Maori tribes as the way to stop the asset sales. On July 8, the Maori Council began litigation alongside 11 Maori *iwi* and *hapu* (tribes and sub-tribes). The tribes, however, do not oppose the privatisation. They want the government to delay selling shares until it addresses their claim to own the freshwater and geothermal resources used by the power companies.

On July 30, the Waitangi Tribunal issued an interim recommendation that the sell-off be postponed until September. The "Keep Our Assets" Facebook page described this as "good news for all New Zealanders."

The tribunal was established by the Labour government in 1975 to redress grievances relating to land confiscated from Maori people in the nineteenth century. The purpose of the ensuing cash settlements was to cultivate a layer of Maori entrepreneurs by pouring millions of dollars into tribal businesses. The Maori Council, a government-funded body created in 1962, ostensibly to promote the "social and economic advancement of the Maori race," represents the

interests of this small elite.

The Maori working class has gained nothing from the settlements. While the tribes have amassed \$36.9 billion in business assets, Maori people remain over-represented in all the social statistics on poverty, poor health, low educational attainment and rates of imprisonment.

In the present case, the Council is working with the Iwi Leaders Group—tribal leaders who collaborate closely with the National government—and the Maori Party, which is part of the government coalition. These groups have no objections to privatisations, provided that tribal businesses profit from the process.

In February, the Maori Council said it would be satisfied with a settlement that allocated power company shares to tribes. Although Prime Minister John Key demagogically declared that “no one owns water,” he has also stated that Maori people have “rights and interests” in water, indicating that the government is likely to buy off the tribes in one form or another.

On June 26, Finance Minister Bill English told the *New Zealand Herald* the government was considering offering shares or cash to at least one tribe, Ngati Tuwharetoa, which claims the lakes and rivers used by Genesis and Mighty River Power. The Maori Council said Ngati Tuwharetoa had a good case for compensation and only criticised the government for favouring one particular tribe.

The Mana Party and the unions have tried to cover up the Maori Council’s support for privatisation. In a statement on July 9, Mana leader Hone Harawira described the council’s action as “the only chance of keeping our power companies in the people’s hands.” This was echoed by Unite union leader Matt McCarten (a former president of Mana) in a July 15 *Herald* column. On July 30, Harawira lauded the tribunal’s recommendation to delay the sales as a “significant step in shutting down the government’s plan to sell our power companies.”

These comments expose the hollowness of Mana’s claim to oppose asset sales. Like the Maori Party, Mana supports privatisation—including of welfare services through the Whanau Ora scheme—providing it benefits Maori companies.

Other so-called “lefts” have tried to portray Maori ownership as more benign than non-Maori ownership. *Herald* columnist Tapu Misa asserted on July 16 that Maori businesses did not share “western concepts of individual

property rights” and saw themselves more as “caretakers of their environment.” Liberal blogger Martyn Bradbury suggested that tribal businesses could “redefine Maori capitalism so that it isn’t the exact same venal capitalism that we know and hate.”

Claims that Maori-owned companies are different are nonsense. Their no less ruthless pursuit of profit was underscored last year when the *Sunday Star-Times* reported on the slave labour-like conditions on foreign charter vessels (FCVs) in New Zealand’s fishing industry. Tribal-owned businesses, which control about 37 percent of the industry, generate millions in profits by hiring the FCVs, which employ mainly Indonesian crew who are paid as little \$260 a month and suffer frequent abuse (see: “Slave labour conditions in New Zealand’s fishing industry”).

Maori Council president Sir Graham Latimer shares responsibility for this horrific exploitation. He was one of the negotiators who helped secure the 1992 Waitangi Tribunal settlement, which allocated millions of dollars in cash and fishing quotas to Maori companies, ostensibly as redress for the crimes of colonialism.

Moreover, the promotion of Maori nationalism serves to divide workers along racial lines and directly cuts across a fight for a unified struggle by workers against the privatisations and the government’s austerity program. That is precisely the purpose of the phony campaign against asset sales—to prevent an independent movement of the working class against capitalism and its political defenders.



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