

# New Zealand: Labour leader outlines his pro-business agenda

Tom Peters  
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Last week's "state of the nation" speeches by Prime Minister John Key and Labour Party leader Andrew Little served to underscore yet again the lack of any significant differences between the government and opposition. Both are committed to making the working class pay for the deepening crisis of global capitalism through harsh austerity measures and attacks on jobs and working conditions.

The speeches were delivered amid soaring social inequality and poverty. Since the 2008 economic crash, living standards for hundreds of thousands of people have collapsed, while New Zealand's billionaires and multi-millionaires have vastly increased their wealth, assisted by generous tax cuts and the deliberate driving down of wages.

Tens of thousands of workers have been laid off by the National Party government and private companies, while basic social services such as welfare, education and healthcare have suffered from successive budget cuts. Wealthy speculators have created a property bubble, which has dramatically driven up house prices and rents, making the country one of the least affordable for housing in the world.

Little, who was installed as Labour's new leader following the party's third consecutive election defeat last September, spoke to an audience largely composed of business and trade union figures in Auckland. He referred briefly to the crisis facing large numbers of working people. He noted that the number of children living in poverty had risen by 20,000 to 260,000 (one in four children) since National was first elected in 2008, and declared that "the incomes of the top 10 percent are nine times the income of the bottom 10 percent."

However, Little did not advance any policies to address this social disaster. His speech consisted mainly of pledges to boost the profits of large and small

businesses, and fraudulent claims that this would lead to "better, higher paid jobs for everyone." He emphasised that a Labour government would collaborate with the trade union bureaucracy and corporations to eliminate regulatory "red tape" and improve "productivity"—that is, to intensify the exploitation of workers.

Little's assertion that trade unions worked with businesses to raise wages and defend jobs flies in the face of reality. In the 1980s, the Labour government launched an assault on the social position of the working class—including sweeping privatisations, tax cuts for the wealthy and the introduction of consumption tax. The union bureaucracy has worked hand-in-glove with successive governments and the corporations to suppress resistance to down-sizing and wage cutting, all in the name of boosting "international competitiveness."

The Engineering, Printing and Manufacturing Union (EPMU), which was led by Little from 2000 to 2011, helped to impose thousands of redundancies, including recently at state-owned mining company Solid Energy and NZ Post.

Little began his speech by blatantly falsifying the EPMU's record, stating that in 2005 it had worked with Air New Zealand to prevent 300 engineering jobs from being moved overseas. According to Little, this was an example of "good management and a well-led workforce working together ... [to] create gains for both." He did not mention that the following year the union agreed to 200 job cuts and in 2007 signed off on 300 more "voluntary" redundancies at the airline.

Another outcome of the EPMU's collaboration with management in the interests of "productivity" was the explosion at the Pike River coal mine in 2010, which killed 29 men. The EPMU, which represented about

half the miners, did not once protest against the dangerous conditions at the site, let alone organise industrial action. After the disaster, Little immediately defended Pike River Coal, telling the *New Zealand Herald* that there was “nothing unusual about Pike River or this mine that we’ve been particularly concerned about.”

Little made virtually no criticism of the Key government’s pro-market measures because Labour has accepted almost all of them—including the 2010 increase in the Goods and Services Tax, corporate tax cuts, public service cuts and the partial privatisation of power companies.

Little criticised the government’s plan to sell 8,000 of the country’s 68,000 public housing units to charities, churches, Maori tribal businesses and other private companies. The proposal will inevitably further inflate rents while delivering a windfall to investors. However, Little told the *National Business Review* that he would make no pledge to re-nationalise the houses as it “would be reckless to do so.”

Labour campaigned in the election on a policy of building 10,000 houses a year and selling them at market rates, which would be beyond the means of most working people. The party also joined the right-wing populist NZ First Party and Maori nationalist Mana Party in a xenophobic campaign blaming Asian immigrants for driving up property prices.

The Labour leader’s speech was well-received by the corporate media, including the editors of *The Press* and the *New Zealand Herald*. Dr Oliver Hartwich, executive director of the pro-business think tank The New Zealand Initiative, hailed Little for advocating “a reconciliation of social democracy with the market economy.”

Pro-Labour columnist Chris Trotter, writing on *The Daily Blog*, absurdly tried to paint Little’s speech as progressive and even “radical,” pointing to Little’s vapid rhetoric about reducing unemployment.

There is considerable anxiety in the political establishment—including liberal and pseudo-left circles—about the historic collapse in support for Labour, which has long served as a key prop for bourgeois rule. Among workers and youth it is widely seen as a party of big business and militarism, just like National. The attempt to give Labour a “left” image and boost its support following the installation of David

Cunliffe as leader in 2013 was a dismal failure. The party received just 25 percent of the votes at last year’s election, its worst result in 92 years.



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