

# New Zealand Reserve Bank reports \$69 billion of assets in M?ori economy

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A report released by the New Zealand Reserve Bank in January revealed that M?ori businesses and non-profit organisations owned almost \$NZ69 billion (\$US50.2 billion) in assets as of 2018. The report, produced by economic consultancy BERL, said most of the assets of the “M?ori economy” were in the private sector.

Reserve Bank Governor Adrian Orr said the report, entitled *Te ?hanga M?ori*, was written before the COVID-19 pandemic but gave a snapshot of the M?ori economy just before the outbreak.

M?ori businesses were booming in the five years to 2018, boosted by speculation in the property market, ultra-low interest rates, and the 2008-2017 National Party government’s corporate tax cuts, which have been retained by the current Labour Party-led government.

New Zealand’s total Gross Domestic Product (GDP) increased 20 percent between 2013 and 2018, but the growth for the M?ori business sector was nearly double that at 37 percent. If the trend continues, the M?ori economy is expected to be worth \$100 billion well before 2030.

Components of the \$68.7 billion include: \$39.1 billion held by 9,880 firms owned by M?ori employers, \$8.6 billion in businesses of 18,600 self-employed M?ori, and \$21 billion in trusts, incorporations, and other M?ori entities, including \$14 billion in natural resources. Deloitte has estimated that \$7.1 billion is held by large tribal organisations such as Ng?i Tahu, Waikato Tainui, Ng?ti Wh?tua ?r?kei, Tuhoe and Ng?ti Porou.

BERL notes that the Treaty of Waitangi settlements—payments to the tribes by the state purportedly in recompense for historical crimes, including the widespread confiscation of M?ori land in the nineteenth century—account for \$2.2 billion in cash and assets transferred over 25 years. Of the \$13.8 billion assets held by the “top tier” 120 entities, more than \$7 billion is held by around 50 organisations and interests which pre-date the settlement process and benefited from it.

The figures also reveal the staggering profits accumulated by M?ori businesses through the exploitation of workers of

all races. Beginning with the launching of the Treaty claims process by the pro-business Lange Labour government of the 1980s, M?ori businesses have flourished during an extended period of social counter-revolution. Their profitability and asset growth is the product of decades of attacks on jobs, wages, working conditions, public services and social rights of the working class.

BERL found that since 2013 M?ori business activity increased in a range of industries, including construction, retail and information media. The number of M?ori in employment in 2018 totalled 329,200, an increase of over 105,200, or 47 percent, since 2013, along with a 46 percent increase in the number of M?ori employers.

A high proportion of M?ori business assets, more than \$23 billion, derive from agriculture, fishing and forestry, including \$2.9 billion in fishing and aquaculture and \$4.3 billion in forestry ventures. Another \$17 billion is held in property. M?ori entities, such as tribal businesses, have considerable investments in industrial, commercial, and residential property totalling \$4.8 billion, all deriving income from the overheated property market.

M?ori have a major presence in those industries particularly notorious for high levels of worker exploitation. The ruthless pursuit of profits in the fishing industry was highlighted in 2011 when the *Sunday Star-Times* reported on conditions approaching slave labour on foreign charter vessels (FCVs).

Under a 1992 Waitangi Tribunal settlement, millions of dollars in cash and fishing quotas were allocated to M?ori tribes, enabling them to control some 37 percent of the industry. Tribal-based businesses have since generated millions in profits by hiring FCVs, employing mainly Indonesian crew who are paid as little \$260 a month and suffer frequent abuse.

Agriculture and forestry are similarly dominated by widespread cost-cutting, attacks on conditions and intensified exploitation to increase profits, resulting in frequent injuries and deaths. Forestry accounts for an average of about five workplace deaths a year. In 2020,

despite lengthy disruptions to production due to COVID-19 lockdowns, there were 19 deaths in agriculture and forestry combined, a high proportion of the deceased being Māori.

In the tourism industry, White Island Tours (WIT), owned by Ngati Awa Holdings, a tribal corporation, is one of the businesses under investigation for its role in the horrific deaths and injuries sustained by a tour party caught in the volcanic eruption in December 2019. Two of the company's guides died in the eruption.

Tour operators and government regulators ignored expert warnings for years about the danger of an eruption on the private uninhabited island, so that millions could be made from guided tours. Ngati Awa Holdings has more than \$151 million in assets, with chairman Paul Quinn a well-connected member of the Māori business and political elite. The decision to prosecute is currently in the hands of the police and WorkSafe.

Overwhelming evidence gives the lie to claims by Maori nationalists and their pseudo-left supporters that Māori business ownership is more benign than non-Māori ownership. Martyn Bradbury, editor of the trade union-funded *Daily Blog*, has fraudulently claimed that tribal businesses can “redefine Maori capitalism so that it isn't the exact same venal capitalism that we know and hate.”

Business and political organisations such as the Iwi Leaders Group, and the Māori Party, which was part of the conservative 2008-2017 National government, advocate for the privatisation of public services, including electricity and water, provided that they can profit from the process.

Under the social welfare initiative introduced by the National Party-Māori Party government, Whanau Ora, tribal-linked corporations and authorities such as the Waipareira Trust have been paid millions by the state to run social services. Demands are being raised for more child welfare services to be outsourced from the public sector to tribal entities, along with Māori-run healthcare and Māori-run prisons. All of this is dressed up as “Māori solutions” for “Māori people.” Funding would be diverted from public services to create a racially segregated system for the benefit of the tribal elites.

The great majority of the Maori population remains part of the most oppressed sections of the working class. The Te Whanga Māori report notes that Māori households receive 35 percent of their income from social security and assistance, compared with 9 percent for non-Māori households. Social security claims nearly trebled between 2013 and 2018, and by 2018 Māori households were collectively \$9 billion in debt.

The report also identifies an “epidemic of in-work poverty.” In 2018, nearly 50 percent (162,756 people) of the Māori workforce were in low-skilled, low-security, and low-

paid occupations, an increase of 58,473 from 2013. Māori people remain over-represented in all the social statistics on poverty, poor health, low educational attainment and rates of imprisonment.

Māori society is riven with social class inequality. A narrow privileged layer has been created and integrated into the corporate and political establishment. Alongside it, a middle class group of state sector apparatchiks, academics, lawyers, union officials and pseudo-left organisations work to justify the entire set-up with constant invocations of racial identity politics. The fundamental purpose is to drive a wedge between Māori workers and their class brothers and sisters in order to prevent a unified struggle against capitalism.

In response to the deepening social crisis, the recently re-installed Labour Party-led government is again promoting the nationalist ideology of “biculturalism,” the notion that New Zealand consists of two national cultures: Māori and European. During Waitangi Day celebrations on February 6 Prime Minister Jacinda Ardern announced a new national holiday will be created to recognise Matariki, the Māori New Year. This move was swiftly followed by a law change to entrench the ability of local councils to establish Māori wards, yet another affirmative action measure designed to benefit a small section of middle and upper class Maori.

Ardern used her Waitangi Day speech to walk back from her earlier phony promises to lead “transformational change” for Māori. In her Waitangi address in 2018 she demagogically asked to be “held to account” on issues where Māori were disproportionately impacted, including child poverty and Māori incarceration rates. This year, however, Ardern evasively declared the government is now striving for “foundational change”—but in the indeterminate future.



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