

The New Zealand National Party-led government's agenda of war and austerity, and how to fight it

Socialist Equality Group (New Zealand)
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Almost one month has passed since New Zealand's conservative National Party formed a coalition government with the right-wing nationalist New Zealand First and the libertarian ACT Parties.

This unstable coalition, which took more than five weeks of negotiations to put together, has been formed amid an historic breakdown of global capitalism. The imperialist powers, led by the United States, are seeking to solve the worsening economic crisis through ruthless attacks on workers' living standards and world war to seize resources and redivide the planet.

These developments are driving millions of workers and young people into struggles, which have revolutionary implications. The last two years have seen an historic upsurge in strikes and mass protests across the United States, France, Britain, Sri Lanka and many other countries, including New Zealand, as working people have sought to counter the soaring cost of living, the erosion of public services and attacks on democratic rights.

In recent months, widespread anti-war sentiment has erupted into the biggest mass protest movement seen in decades. The New Zealand election and coalition talks unfolded against the backdrop of continual demonstrations against Israel's genocidal slaughter of Palestinians in the Gaza Strip, backed by US imperialism and its allies, including both the National-led government and opposition Labour Party in New Zealand.

The response of the ruling classes to these developments, which threaten to provoke a revolutionary situation in country after country, is to lurch further to the right.

The National-led government's priority is to strengthen New Zealand's alliance with US imperialism as it escalates the war against Russia in Ukraine, and threatens war against China and Iran. While billions are to be squandered on war, the government has outlined sweeping attacks on the working class, including thousands of job cuts and deep inroads into essential public services.

National's far-right partners, ACT and NZ First, are playing a major role. Winston Peters, leader of the deeply unpopular NZ First Party—which campaigned on the basis of anti-Māori demagoguery, anti-vaxx pseudoscience and the demonisation of transgender people—has been installed as foreign minister and deputy prime minister. He has emerged as the most prominent representative of the government, overshadowing National's Prime Minister Christopher Luxon.

How could such a right-wing government come to power?

None of the parties in the coalition has significant popular support, let alone a mandate for the scale of attacks being prepared. National received just 38 percent of the votes in the October 14 election, while ACT and NZ First got 8.6 and 6 percent respectively.

As is the case in Europe, the United States and Latin America, the far-right is setting the political agenda in the context of the anti-working class

policies of the social democratic parties. The National-ACT-NZ First government's agenda is not a departure but a continuation and deepening of the 2017-2023 Labour Party-led government's agenda that fuelled historic levels of social inequality, homelessness and a crisis in public hospitals and other services.

The right-wing parties were only able to form a coalition due to the historic collapse in support for Labour, which was thrown out of office with just 26.9 percent of the votes, down from 50 percent in the 2020 election. About one in four people did not vote for anyone, pointing to widespread hostility towards the entire political establishment.

The working class, which carried out significant struggles against the Labour government's attacks, will come into direct confrontation with the National-led government, sooner rather than later.

The Socialist Equality Group (SEG) warns that workers will also confront the Labour Party and its allies—including the Greens, Te Pahi Māori, the trade union bureaucracy, and various middle class pseudo-left organisations—that will work might and main to block the road to socialist revolution. Decades of bitter experience has exposed all these organisations as ruthless defenders of capitalism—a system which now threatens the very future of human civilisation.

Appeals for reform directed to the powers-that-be are futile. The world situation presents workers and youth with two stark alternatives: either the capitalist system will be overthrown and the world reorganised along socialist lines, or the population faces a future of soaring poverty, a Third World War, catastrophic climate change and endless pandemics.

The urgent task is to transform the growing anti-war and anti-capitalist sentiment in the working class into a conscious, socialist movement aimed at uniting workers in every country to put an end to capitalism. In New Zealand, this means joining the political fight being led by the Socialist Equality Group to build the New Zealand section of the International Committee of the Fourth International.

Imperialist war and genocide

Across the world, an entire generation of workers, young people, students and progressive sections of the middle class are being politically radicalised by the genocide in Gaza. The slaughter has not only exposed the extremely reactionary character of Zionism; the open contempt for human life displayed by all the governments backing Israel has revealed the brutal face of the capitalist ruling class. By supporting this genocide, the US and its allies, including the New Zealand government, are sending the message that any resistance to imperialist and capitalist oppression will be met with ruthless collective punishment.

The US regards the Middle East as a third front in a developing world war. Nearly two years ago the US deliberately provoked Russia's disastrous and reactionary invasion of Ukraine, which has killed hundreds of thousands on both sides. The US and its European allies are seeking to

use Ukraine's military to inflict a defeat on Russia and reduce it to a subservient, semi-colonial status. Washington's objective is to seize control over the vast natural resources of Russia and clear the path for war against China, which is viewed as the main economic rival and obstacle to US global hegemony.

The ruling class in New Zealand, a minor imperialist power allied to the US, intends to secure its seat at the table in the new imperialist carve-up. The Labour-Greens government sent soldiers to Britain to assist in training Ukrainian conscripts to fight Russia. In August, Labour's Defence Minister Andrew Little stated that the military also had to be prepared and equipped to join a US-led war against China. There is bipartisan agreement that military spending must double from just over 1 percent of GDP to 2 percent of GDP.

Peters and Luxon have made clear that the government's number one priority is to strengthen engagement with US imperialism in the Indo-Pacific region and beyond. This includes potential New Zealand participation in the AUKUS pact between Australia, the UK and US to direct the war drive against China. This includes a vast expansion of US access to military bases in Australia, and the supply of missiles and nuclear-powered attack submarines to Australia.

Attacks on the working class

Domestically, the financial elite has tasked the government with intensifying the exploitation of the working class by driving up unemployment and lowering wages. The Reserve Bank's repeated increases to the official cash rate are pushing the country towards recession, with the economy shrinking by 0.6 percent in the year to September. Unemployment is forecast to rise from the current 3.9 to 5.25 percent in the next year. Meanwhile living costs continue to rise sharply, with annual inflation at 5.6 percent.

To pay for the military build-up and tax cuts for the rich, National plans to slash spending in dozens of government agencies by up to 6.5 percent, eliminating between 8,000 and 15,000 public sector jobs. The downsizing began under Labour, which cut funding to several agencies in August. Hundreds of staff have already lost their jobs at WorkSafe and Statistics New Zealand.

Other attacks include:

? Scrapping public transport infrastructure projects in Auckland and Wellington and a planned upgrade to the rundown ferries between the North and South Islands.

? Amid a historic housing crisis, with nearly one in 50 people either homeless or living in inadequate housing, the government will undertake an inquiry aimed at slashing spending on public housing.

? Expanding so-called 90-day trials for workers to businesses of any size. Under Labour only small businesses could use the scheme, which makes it easier to sack workers during their first three months of employment.

? The National government has agreed to ACT's policy to reintroduce private, for-profit Charter schools, aimed at undermining the public education system. It will also remove gender and sexuality education guidelines, something demanded by NZ First.

? In what would be a major assault on public health, the government is considering cutting funding for COVID-19 vaccinations and antiviral treatments.

? The government has adopted NZ First's call for an "inquiry" into the initial response to COVID which will question the "efficacy" of vaccine mandates and lockdowns. The aim is to ensure that no such life-saving public health measures are ever implemented again. ACT's deputy leader Brooke Van Velden, the new minister for workplace relations, summed up the ruling elite's profits-before-lives approach when she declared in June: "When it came to COVID, we completely blew out what the value of a life was, completely, I've never seen such a high value on life."

The role of Labour and the unions

The government and corporations will rely heavily on the trade union apparatus to suppress and break up the strikes and protests that these right-wing policies will inevitably trigger. In a briefing to the incoming government, the Council of Trade Unions (CTU) promised "to work constructively with [the] government, delivering positive policies," despite purported disagreements on policy.

The unions' main concern is to persuade the National government that they will be a reliable partner in imposing the next round of austerity measures. The CTU document whitewashes the record of the Labour government, claiming that it reduced poverty and declaring: "We hope that the progress made to date continues under this new government."

In reality, Labour paved the way for the victory of National and its far-right allies by carrying out major attacks on workers' living standards. When the Labour Party formed a coalition government with the Greens and NZ First in 2017, Prime Minister Jacinda Ardern declared that capitalism had failed and promised to take action to solve the housing crisis and end child poverty. This proved to be a fraud.

Labour relied on the trade unions to impose sellouts following nationwide strikes by healthcare workers and teachers in 2018 and 2019, and again during the COVID-19 pandemic. The unions kept strike action to a minimum and isolated different sections of workers from each other.

Again and again, the unions echoed the government's position that there was no money to resolve the crisis of understaffing in public schools and hospitals, or to significantly increase wages above the rate of inflation. In the universities, unions agreed to the axing of thousands of job as government funding was slashed.

The unions also played a crucial role in reopening workplaces and schools after Ardern scrapped the COVID-19 elimination policy in late 2021.

The elimination strategy Labour adopted in 2020, in order to stave off a rebellion by healthcare workers and others, was overwhelmingly popular, but was scrapped following intense pressure from big business. The teacher unions falsely declared that schools could safely reopen, which contributed to soaring rates of infection.

More than 3,600 people have died in New Zealand from COVID since Labour adopted the homicidal policy of mass infection, which has killed over 27 million people worldwide.

The major factor in Labour's election defeat was its refusal to alleviate deeply-entrenched poverty. Labour suffered its biggest drops in support in working class areas such as South Auckland that were worst hit by the cost of living crisis.

Since 2017, weekly rents have soared by 45 percent, while the median income went up by about 32 percent. The number of families on the waiting list for public housing sky-rocketed from roughly 6,000 to 25,000. As of October, 600,000 people, one in 11, was dependent on food charities, up 33 percent compared with before the pandemic.

By contrast, the rich benefitted during the pandemic from tens of billions of dollars in government subsidies, bailouts, tax breaks and cheap credit, which fuelled speculation in the property market. In 2022 alone, New Zealand's retail banks made a record profit of \$7.18 billion, which equates to roughly \$1,400 for every person in the country.

Pseudo-lefts seek to revive Labour

The fight to build a genuine revolutionary socialist movement requires the continual political exposure of pro-capitalist politics of the various middle class, pseudo-left groups, which seek to chain workers and young people to Labour, the parliamentary system and the union apparatus.

These include the New Zealand-based International Socialist Organisation (ISO), which campaigned for Labour and its allies the Greens and Te Pāti Māori in the election—even after Labour supported Israel's bombing of Gaza—and is now seeking to revive illusions in the party.

In a November 18 article, the ISO was forced to acknowledge that Labour lost because of its “failure to protect the living standards of the majority of the population.” Still, it declared, the trade unions could place pressure on the party to “now turn to the left and stand up for workers and the oppressed.”

This is a complete fraud. Contrary to the ISO’s claim, Labour cannot be described as a “reformist” party; it abandoned any pretence of social reform during the 1980s government of David Lange, and transformed into the direct instrument of the financial elite, no less than National. Successive Labour governments have carried out wave after wave of pro-business restructuring and strengthened New Zealand’s alliance with US imperialism, including by joining the wars against Iraq and Afghanistan.

The pseudo-lefts speak for a layer of the upper middle class, close to the unions and dedicated to improving their own lot within the imperialist system. Last year, the ISO joined similar groups in the United States and Europe in openly endorsing the US-NATO war against Russia in Ukraine. The organisation is now seeking to whitewash the complicity of the trade unions in the genocide against Gaza.

Racism and identity politics

To divert attention from the worsening social crisis that it is unleashing, and to sow divisions in the working class, the National-NZ First-ACT government is seeking to stoke racism by making indigenous Māori the scapegoats.

NZ First and ACT campaigned in the election with cynical and false claims that Māori were “privileged” under the Labour government, and that this must now be reversed. In reality, except for a narrow capitalist layer, most Māori—who make up about 15 percent of the population—are among the poorest members of the working class, with lower life expectancy, worse health and education outcomes, and much greater likelihood of being imprisoned.

The government’s inflammatory proposals include:

? The removal of Māori names from government agencies and a requirement for public servants to “communicate primarily in English.”

? The repeal of legislation intended to prioritise the reconnection of Māori children in state care with their family and tribal group.

? New law-and-order policies, including a proposed ban on gang insignia, more police powers to harass and spy on gangs, tougher prison sentences, and the introduction of military-run “boot camps” for young offenders—all this will have a disproportionate impact on oppressed layers of Māori.

National and its allies have sought to capitalise on widespread hostility to Labour’s promotion of reactionary and divisive identity politics as a means to cover up the previous government’s attacks on the working class as a whole. This included policies such as prioritising surgery based partly on ethnicity, the establishment of a separate “by Māori, for Māori” healthcare authority, and affirmative action programs at university medical schools.

The right-wing parties also exploited animosity towards the 1840 Treaty of Waitangi, which has been used by successive governments as the basis for providing multi-million dollar settlements to Māori tribes, which have built highly-profitable businesses in tourism, agriculture, property and other industries. An elite layer of indigenous capitalists has been created, represented in parliament by Te Pūti Māori, to serve as a buffer against the impoverished Māori working class, which has not benefited from the settlements.

Te Pūti Māori, supported by Labour and the Greens, has organised protests against ACT and NZ First’s proposals to undermine the status of the treaty, which could threaten the power and privileges of the tribal elite.

The attempts by both the government and opposition parties to stoke racial division—including the former Labour government’s scapegoating of immigrants for the social crisis—are intended to obscure their agreement on the most important issue: that the working class must be made to pay

for the economic crisis through brutal austerity measures.

The Socialist Equality Group insists that the fight against racism cannot be subordinated to the interests of the Māori elite, or any faction of the capitalist class. Racism stems from the need of the bourgeoisie to keep workers divided and fighting among themselves. The oppression of indigenous peoples, as well as migrants and refugees, can only be ended through the unification of all workers, of every ethnicity and nationality, to overthrow the profit system.

Build the Socialist Equality Group!

The election outcome and the platform of the National-led government have set the stage for a further upsurge in working class struggles against imperialist war and social inequality. If these struggles are not to be divided, suppressed and betrayed, workers must draw decisive political lessons from the anti-working class record of Labour and the trade unions, as well as the recent wave of mass strikes in Europe, the US and elsewhere.

All these experiences prove that the unions can no longer be described as workers’ organisations: they are bureaucratic apparatuses that function as an industrial police force for the state and big business to derail any movement that threatens corporate profits.

The Socialist Equality Group (SEG) urges workers to construct rank-and-file committees, controlled by workers themselves and independent of the corporatist unions. Such committees need to link up the struggles of the working class in each sector of the economy with those in Australia, the Pacific and internationally, in opposition to the nationalist divisions encouraged by the unions.

They will also provide the means for workers to coordinate action to block the production and supply of weapons to Israel being used in its genocide against the Palestinian people.

Above all, and in opposition to every other political party and tendency, the SEG insists that none of the burning issues facing the working class can be resolved outside of the fight for socialist revolution internationally.

Capitalism cannot be reformed. It has nothing to offer except war, mass impoverishment, a worsening climate crisis and endless uncontrolled pandemics. Any effort to resolve these crises, which require the mobilisation of vast resources on a global scale, runs up against the entrenched interests of a handful of billionaires who control politics in every country. The very future of human civilization is imperilled by the continued division of the world into nation states run by rival groups of capitalists.

We urge workers and youth in New Zealand who agree with this statement to contact the SEG, study the program of the International Committee of the Fourth International, the world Trotskyist movement, and join the fight to build its New Zealand section.



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