

WITHOUT OUR CONSENT?

RECLAIMING THE FUTURE: NEW ZEALAND AND THE GLOBAL ECONOMY By Jane Kelsey, Bridget Williams Books Ltd., Wellington

Maria Humphries¹
Associate Professor
Waikato Management School
University of Waikato

Many a silent chant of gratitude to Jane Kelsey has been uttered over the past two decades as I have hunted for information about contemporary social, economic and political changes in New Zealand with which to inform my teaching and research. *A Question of Honour* (1990), *Rolling Back the State* (1993) and *The New Zealand Experiment* (1997) remain valuable books on my shelves. Over the years, each book has provided an excellent starting point from which to search out emerging issues, historical details, interesting anecdotes and useful leads to other points of view. In short, I am an appreciative reader of Kelsey's scholarship. I am also inspired as a citizen by Kelsey's passion and social activism for a future that "still rests largely in our hands" (1999:385). The opportunity to review *Reclaiming the Future: New Zealand and the Global Economy* was a welcome summer task.

Kelsey makes her position quite clear. The book intends to challenge "the policies, laws, and international agreements that have exposed New Zealand to the global economy and the belief that New Zealand is leading the world towards some global free market nirvana" (ibid.). She "sets out to expose the orthodoxy of the 1990s – that globalisation is irresistible, inevitable and desirable" (Preface). Intentionally, this book is not about the global economy. Rather, it is about "the choices that have been made on behalf of New Zealanders since 1984, sometimes without our knowledge and often without our consent" (ibid.).

Economic liberalisation, as a method of participating in the global economy, has made a significant imprint on our social, economic and political landscape. The Introduction

¹ Correspondence

Associate Professor Maria Humphries, Director, Centre for Community Studies, Waikato Management School, University of Waikato, Hamilton, Phone 07-838-4432.
<http://www.mngt.waikato.ac.nz/depts/cims/ccs>, E-mail mariah@waikato.ac.nz

to *Reclaiming the Future* sets in place various positions regarding the effects of globalisation – or rather, “a vision of a global economy built on ‘free’ markets and ‘free’ trade” (p.1). Expectations of limitless wealth production by Fukuyama (1992) are contrasted with the warnings of increasing corporate control of the world, risking environmental and social security and overtaking the local control of the institutions with which we organise our lives (Korten 1995). The concomitant notion of “the nation state” is somewhat “thin” and the robustness of democracy is under threat.

Such critics of globalisation as there have been appear to be limited to two positions. Both groups share a concern about the wider social, political and economic consequences of the “free marketeers”. “Realistic” critics seek to mitigate the adverse effects associated with the globalisation of commitments to free market principles. “Unrealistic” critics are those who denounce the growing inequalities and poverty, and who warn against the erosion of democracy and the potential for unregulated capital to implode (p.1). Neither position usefully challenges the belief that globalisation (in the “free marketeering” variety commonly implied) is inevitable or irresistible. Kelsey extends the criticism to challenge the assumed inevitability and irresistibility of this notion of globalisation.

Kelsey distinguishes *globalisation as ideology* from *globalisation in practice*. The former refers to the grand vision “that imagines an interdependent and self-regulating global economy where goods, capital and ideas flow freely, irrespective of national borders, social formations, cultures or politics” (p.2). The latter is used to describe “a highly contested process where the competing interests of people, companies, tribes, governments and other groupings overlap and collide; alliances form; accommodations and more drastic revisions are made; and new contradictions arise” (ibid.). According to Kelsey, the two should not be confused. The former was the vision promoted in New Zealand primarily by a “committed team of politicians, officials and private players who shared some common goals” (p.3).

Kelsey’s challenges are formidable – and for me raise ever more difficult questions. What is the basis for such challenging claims? How can she know that the direction towards a greater exposure to (or participation in) the global economy is not what “we” have consented to? Is Kelsey saying that “we” are an unintelligent citizenry? That “we” are apathetic? Who is this “we”? And, if the future is in “our” hands, do we know what we want from it and how to get there?

The resistance emerging in the late 1990s came from diverse groups often acting in ad hoc coalitions seeking to address adverse changes to their own particular

circumstances. These groups included farmers, Māori organisations, Grey Power, radio talk-back callers and city councillors (p.16). None of these groups in my view, provided a coherent notion of “we” that I can associate with. Certainly I did not feel a sense of sustained argument connecting all the various plights to the acceleration of globalisation. Certainly some intended moves to greater liberalisation (notably the further privatisation of farmers’ statutory producer and marketing boards and the smooth passage of the Multilateral Agreement on Investments) were hindered – but much has been lost.

Kelsey invites us to remain optimistic and urges engagement. Change is being brought about not only through the mechanisms of resistance as described above but also through the building of a movement concerned with social responsibilities of business. For example, Hugh Fletcher urges the reconnection of New Zealand business to the lives of New Zealanders (p.18) and Tim Hazeldine advocates relationship-enhanced dependence of business on local markets and communities and reducing our dependence on the international economy (p.19).

Indeed, since 1984 the face of New Zealand society has certainly changed. There is more variety in and (in terms of extended trading times) greater access to goods and services. However, while such changes are perhaps liberating for people with money, they may also represent “a threat to identity, jobs, communities and the right to control their own lives” for many ordinary New Zealanders (p.3). For many New Zealanders, diminishing real incomes now need to stretch further to purchase services previously deemed “public goods”. The useful graph provided on p.388 indicates that the share of income for 90% of the population decreased between 1984 and 1996 while the top 10% made significant gains. Such a decrease – perhaps not desirable but probably manageable for a time by middle New Zealanders – has a devastating impact on those on low incomes already struggling to survive. Challenges arising from these outcomes have been resisted “by those in business, politics, the public service, academia and the media who have an economic interest in and/or ideological commitment to, the free market agenda”(p.3).

Given Kelsey’s view of globalisation and its consequences, is it sufficient to explain New Zealand’s direction as one being driven by a bunch of ideologues leading the unconsenting masses into reforms with unknown consequences? Indeed, some of the key beneficiaries of the economic restructuring agenda no longer live (or invest significantly) in New Zealand. Some employers have chosen to use the flexibilities granted them in the Employment Contracts Act to exploit vulnerable immigrants and to create jobs that are increasingly insecure or that generate insufficient hours or income to meet the basic necessities of their employees.

Were the rest of us blameless? Could “we” not have foreseen this outcome? And if “we” could, would each of us have had the interest or courage to resist the economic and political directions described in this book? Is it not also the case that where it has suited some of “us” to attempt to benefit from the opportunities promised by the promoters of free markets, many explicitly chose to attempt to maximise those opportunities? Share market clubs became sport for many. Some of us chose to invest money off-shore rather than domestically. Many of us left the country to attempt to benefit from the opportunities available because we are “free” to move where the exchange rate or job market is in our favour.

When “we” choose those opportunities to take up jobs elsewhere, do we ask questions about whose jobs and opportunities we usurp? When we spend our consumer dollars do we ask the difficult questions about the possible involvement of child labour or the sweatshop conditions of the employees who produce those goods? Do we link the growing “third world” conditions in what were known as “first world” countries (including New Zealand) to our participation in the global economy, or do we see those diminishing social conditions of those living in pockets of poverty as somehow the fault of those who live those lives? “We” are indeed a mixed bunch!

Kelsey intends this to be an optimistic book – a book celebrating “the emergence of New Zealanders from a state of grumbling acquiescence to the point where economic and social policies are (belatedly) subject to the contest of ideas” (Preface). Yet, although Kelsey reports detectable signs of resistance, by 1999 there yet appeared to be “no alternative template, no coherent vision of the kind of society in which people want to live, the kind of state they wish to empower” (p.3). So where is the optimism in the book?

The optimism seems to be based on a growing willingness to make these discussions a more acceptable part of our society. But is Kelsey’s preference for increasing contests of ideas necessarily helpful? Contests are generally lost by the weak. This would not bode well for those who are now poor, those who are already disenfranchised by the loss of employment, health and opportunity increasingly documented in the popular press. Will the current government be interested in supporting the seeds of resistance that Kelsey identifies? Will a growing group of citizens hold their government to account – not just for the amelioration of the negative effects deemed to accompany commitments to free marketeering but to resist engagement with the global forces preferring “free markets” – assuming the analysis is correct. If as individuals we thought we could benefit – even if it is at the expense of the poor in other countries – would “we”?

As always, Kelsey's work provokes deep questions in me. She provides screeds of insights and information to stimulate my interests and, yes, she inspires me to act. And herein lies the optimism I read in her book. Perhaps enough of us will join in demanding laws, policies and practices that together provide a society of justice and participation for all. An invigorated and robust democracy will ensure that this privilege and this responsibility remain ours to enact. If that demand is repeated in all the countries of the world (or at least those we agree to associate with), moving money, opportunity and skills about the globe could be so exciting!

REFERENCES

- Kelsey, J. (1999) *Reclaiming the Future: New Zealand and the Global Economy*, Bridget Williams Books Ltd., Wellington.
- Kelsey, J. (1995) *The New Zealand Experiment: A World Model for Structural Adjustment?* Auckland University Press.
- Kelsey, J. (1993) *Rolling Back the State: Privatisation of Power in Aotearoa/New Zealand*, Bridget Williams Books Ltd., Wellington.
- Kelsey, J. (1990) *A Question of Honour? Labour and the Treaty 1984-1989*, Allen and Unwin, Wellington.

