

EDITORIAL

A Punitive Turn

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The battle for the economic competency crown has been a mainstay of parliamentary politics in neoliberal Aotearoa New Zealand. The 2023 Election was a fine example. National and Labour asked voters to determine which party was the better economic manager, posing this question against a general sense of economic malaise. The polls reported that the rising cost of living was the number one issue on voters' minds; National framed it as a crisis, to great effect. In some respects, this crisis was over-egged. To be sure, in the two years prior to the election relatively high inflation—and, in response, rising mortgage rates—have put pressure on household incomes, with some experiencing significant real wage cuts. Yet, over the same period, unemployment also reached record lows and there wasn't a significant recession. And although real wages fell through 2021 and much of 2022, most sectors experienced real wage growth in 2023. The 'cost of living crisis', such as it is, has been concentrated among low-income earners and, to some extent, first-home buyers who had taken on large mortgages in the bubble years. Those on higher incomes and without crippling levels of mortgage debt have been able to absorb the impact of rising prices more comfortably.

Nevertheless, operating in the context of Aotearoa New

Zealand's increasingly underweight public sphere, Christopher Luxon and Nicola Willis, with David Seymour on their right flank, were free to drive home the idea that the rising cost of living was constitutive of a general economic crisis enveloping the nation. The Aotearoa New Zealand economy was moribund, they argued, largely because the Labour administration's 'addiction to spending' was both fuelling inflation and laying waste to the government accounts. Restoring a National-led government to power, they claimed, would restore discipline to government expenditure and reduce the cost of living. This rhetoric proved a successful electoral strategy—an indictment of both the sorry state of public discourse in Aotearoa New Zealand and the Labour government's complete absence of political vision.

For their part, Labour uncritically adopted the idea that the Aotearoa New Zealand economy was in the grips of a crisis. Those to the left of Labour largely followed suit. Thus, the election was played out on the terrain of National's choosing—another common theme of parliamentary politics in the neoliberal era. But while adopting the discourse of crisis, Labour was unable to develop an alternative politics of the inflationary moment. It neglected, for example, to focus attention on the structural factors that underpin the high cost of living in Aotearoa New Zealand—such as a chronic shortage of housing and the effective monopolies in the grocery, electricity, and banking sectors. Neither did Labour articulate a political programme that would resolve these issues. This insistence on dancing to the tune set by National and the business lobbies was exemplary of its time in power.

Political commentators in Aotearoa New Zealand have tended to view the small-c conservatism of Prime Ministers Jacinda Ardern and Chris Hipkins, and the Labour government generally, as motivated by tactical calculations: in short, staying close to the perceived interests of the middle-class swing voter. On this reading, the Labour government was always more left-wing than it let on, but *realpolitik* (or, alternatively, a misguided belief in the wisdom of focus groups) demanded it tack close to the centre. But it is worth noting that this conservatism was (and is) also rooted in the sociology of the parliamentary Labour party—a party largely comprised of

MPs with professional backgrounds, who received their political education at the knees of Helen Clark, Tony Blair, and the likes. On this reading, Labour's failure to shift the rules of the game was not just a reflection of its overinvestment in (a largely imagined) 'middle New Zealand', but also of its political ideology—a zombified Third Way.

During its first six months in office, the National-led government has stressed its dedication to restoring, variously, 'respect for taxpayer money', 'responsibility to the management of public finances', and a 'culture of fiscal discipline'.¹ This reorientation is sorely needed, the new Minister of Finance Nicola Willis has argued, after 'six years of economic mismanagement' under Labour.² Willis's claims are hyperbolic, to say the least. While government expenditure rose under Labour, this was largely an artifact of the pandemic response. On most measures the Labour government's fiscal performance was within the historical norms of the neoliberal period. Indeed, one of the striking features of the Sixth Labour government was precisely its rhetorical and material commitment to fiscal conservatism—seemingly of the belief that it could consistently outflank National in the economic competency pageant.

By contrast, National adopted, and continues to pursue, a more cynical approach. It has been happy to make ungrounded accusations regarding Labour's fiscal irresponsibility—as captured by Willis's charge of 'economic and fiscal vandalism'.³ We can read the emphasis placed on fiscal rectitude, and the hyperbole of the attacks on the Labour government, as indicative of National's turn towards a more aggressive, moralising, and punitive form of neoliberalism. Gratuitous cuts to public-sector investment and jobs in order to fund tax giveaways to landlords are justified by the importance of getting the government books back in order—despite any evidence of the existence of a fiscal crisis. This tactic has been packaged up with the

1 Hon Nicola Willis, 'Economic Repair Job Begins', *Beehive*, 20 December 2023; Thomas Coughlan, 'Mini-Budget 2023: Finance Minister Nicola Willis Unveils \$7.4 Billion in Cuts and Savings as Treasury Releases Hyefu', *NZ Herald*, 20 December 2023; Hon Nicola Willis, 'Fiscal Repair Job Underway', *Beehive*, 20 December 2023.

2 Willis, 'Economic Repair Job Begins'.

3 Willis, 'Economic Repair Job Begins'.

rebooting of beneficiary bashing, real-terms cuts to the minimum wage, and the reinstatement of 90-day trials for all—a policy that nicely encapsulates the ethic of brutal competition that is central to neoliberal ideology.

As William Davies has argued in the British context, this punitive articulation of neoliberalism is not only aggressive and moralising, but also ‘post-critical’. It is ‘a system in retreat from both the ideology and the reality of rational public dialogue, and the epistemological constraints which that involves’.⁴ Adapting this theory to the Aotearoa New Zealand context, we can witness the indulgent excess of Willis’s accusations against the former Labour administration’s fiscal management, and the scant attempts by the new government to appeal to evidence or economic reason to justify its policies. Indeed, the Budget Policy Statement released in late March revealed that the coalition government will be borrowing to fund its tax cuts, thus breaking one of the cardinal rules of fiscal responsibility.

Alongside this new punitive and post-critical economic paradigm, the coalition government has ramped up attacks on Te Tiriti and stoked a culture war with far-reaching consequences. Elections are always a mix bag for Māori, who can be pleased with the result while also thoroughly, sometimes brutally, reminded that they are not sovereign in their own country. Some elections make that more obvious than others, but the 2023 Election was one at the worse end of the racism spectrum. When confronted with ACT’s billboards and National’s racist-pandering rhetoric on co-governance, many Māori were reminded of Don Brash’s infamous Orewa speech in 2004 and his subsequent 2005 election campaign. Māori candidates reported some of the worst verbal and physical racist attacks yet seen in Aotearoa New Zealand politics, and that trend looks likely to continue for a while.

But all of that said, and left unsaid, there were some very important political messages sent by Māori voters in this election. First, of course, is the excellent and forceful return of Te Pāti Māori, who secured six seats, four of which were taken by people not well-known to mainstream media and four of which are now occupied by mana wāhine. Moreover, Māori

⁴ William Davies, ‘The New Neoliberalism’, *New Left Review* 101 (2016), 134.

voted with strategic purpose in the Māori electorates, with most party votes going to Labour, even while their candidates were rejected. This trend strongly suggests that while Māori still see Labour as an important ally on Māori matters, they only trust people like them to lead on those matters. The consensus is that Māori concerns are best articulated, and activated, by Māori who are tuturu to their community as well as to their political aspirations. Whakapapa is necessary but not sufficient in the Māori electorates. Māori electorate voters want their representatives to be on the Whakapapa and on the Kaupapa.

This development in Māori voting trends might help to explain the Green Party's result in returning the biggest caucus yet, with 50 percent of their MPs now Māori and/or Pacific. Their highly democratic selection process delivered a caucus that improves the representation of the Asia-Pacific region, even through an increasingly mainstream Pākehā party. Kaupapa mattered the most here, and that kaupapa delivered essential mana wāhine voices to the parliamentary process.

None of the above is to say that the next three years will be anything but hard, and sometimes terrifying. For many whānau already doing it tough, essential social supports like housing and benefits will be squeezed even more. National wants to take \$2 billion out of welfare spending, which will come directly from the most poor whānau and tamariki in the country. Housing will be reaffirmed as a private privilege not a social good, as is clear already with the tax deductions for landlords, and wide-ranging cuts to the public sector mean that people with the least will have even less access to critical social services.

When the state withdraws in this way, iwi can step in. Iwi organisations can be a buffer, practically and politically, between whānau and a hostile government. The new government is certainly hostile, with a number of legislative and rhetorical attacks planned against te Tiriti o Waitangi and tikanga Māori. Iwi wielding their political power to curb the worst excesses of the coalition government will be really important to protect whānau in the immediate term and to build for the future.

While there is much to feel grim about, especially when fast-moving

international crises are also taken into account, this is also a time of great opportunity for the anticapitalist and beyond-capitalist left. The last six years of Labour-led governments saw the usual left cycle of softening resistance and cosying up to friends and allies in government parties in the hope of substantial reform in key sectors. One only has to consider the slow pace or entire absence of meaningful action in key areas like welfare, housing, and climate to see the hopelessness of this predictable cycle. As happens whenever the electoral wheel turns, victory on the right means the left is enthused once again by the opportunity to strengthen our organisational capacity. But this cycle of advance and retreat is unsustainable.

The real achievement for the left will come if we can find the determination and capacity to work together to build groups and movements that outlast these parliamentary rotations. We can do it if we have the determination to build on current mobilisations, such as those in support of Palestine or the ever-deepening resistance to the government's anti-Māori agenda. We can build longer-lasting groups if we are prepared to move beyond the isolation and habits of the early years of the COVID-19 pandemic and put time and energy into the long, hard work of face-to-face organising and group-building.

It is not just money that gives the right enormous advantage over us. Progressive forces have always been weakened by the tendency to faction and put personal power-seeking above collective goals—and, sometimes, by the corollary tyranny of structurelessness, which will not accept the necessity of accountable and known leadership. And more people than ever are acutely aware that the struggles for constitutional transformation, to save the planet, and to move to an economic and political system that works for everyone, not just the wealthy elite, are irrevocably interlinked. Now is the time for us to create opportunities to come together, to get to know each other in person, to breathe new life into existing organisations, and to generate new ones. During the pre-election period there were at least several attempts to create cross-sectoral coalitions (for example, Tapatahi and System Change Aotearoa), but it is hard to create coalitions in areas where the backbone and organisational components required for the development

of mass grassroots movements across all fronts are not yet apparent. The current right-wing offensive is thus a call to build a counterforce that not only stands in resistance to the depredations of the new government and its friends, but which is also capable of offering inspiring solutions and advocating radical change in language and ways that ordinary people can understand. It's time.