The purpose of this paper is first, to explore how it is that the neoliberal capitalist paradigm which dominates current economic thinking came to pass. The paper then goes on to explore a number of different theories and models, which in some aspect go against the grain of the neo-liberal capitalist ideology. It is important to note that this paper does not seek to provide an answer to the question of what economic model Ngai Tahu should operate under — none of the models presented adopted wholesale would be appropriate. Rather the point of this paper is to push the envelope by showing that other, non-neoliberal models do exist that challenge the status quo thereby opening up a wealth of possibilities for Ngai Tahu’s future.

The rise of corporations and the age of capitalism

The age of capitalism has its ignoble roots in the earliest days of colonialism, known as the mercantile phase of capitalism. The need for corporations arose from the fact that sending ships to the new world was an enormously costly and risky enterprise, but one which had the potential to yield fantastic profits. In order to fund these costly endeavours investors pooled their resources together and shared both the risks and spoils of their efforts. Thus corporations were born out of a need to address the issue of how to raise finance capital that exceeded the amount that investors acting on their own were able, or willing, to risk. Hence from the beginning there was an indelible link between the processes of globalisation on the one hand and capitalism and corporations on the other. This is because colonialism began as the search for new markets, and though the age of colonialism has ended, the desire for new markets and access to cheap labour and resources has continued ever since — with increasing acceleration — leading to sprawling economic ties that stretch around the globe.

While corporations had their genesis at the dawn of colonialism it was the industrial revolution which gave the new institutions momentum. This was because the increased productive power that became possible with the advent of industrialization needed vast sums of money. Industrialization and corporatisation were therefore mutually reinforcing phenomena which hailed the emergence of a more complex and interwoven economic system. It is important to point out however, that corporations rise to a prominent place in our current society was not a simple upwards trajectory. Indeed, at one stage of the history of corporations it seemed that they were destined to be relegated to the pages of history. This is because, at the beginning of the eighteenth century when the fraudulent South Sea Company collapsed causing mass public outcry, the English Parliament passed the Bubble Act 1720, which made it a criminal offence to create a company, “presuming to be a corporate body”, and to issue “transferrable stocks without legal authority.”

Meanwhile, in post-revolutionary America, between 1781 and 1790, the number of corporations grew tenfold from 33 to 328. It was with the legislative act of limited liability however, that corporations became a major economic institution. Yet unanswered questions remained as to who was accountable for how corporate entities were managed. This question found an answer in the case of Dodge v Ford which propounded the principle that managers and directors are under a legal duty to put shareholders interests above all others and have no legal authority to serve any other interest — what came to be known as “the best interests of the corporation” principle.” Thus corporations are unable to consider the social and environmental ramifications of their business operations except to the extent that these have an indirect effect on their profitability.
From this point the corporation under an unregulated market — the so-called ‘invisible hand’ — seemed an unstoppable and natural economic progression until the Great Depression shook the US and other economies of the West to their core. The economic crisis began with the stock market crash and what became known as ‘Black Friday’ — the darkest day on Wall Street ever recorded. This result was that stock prices fell by 85% and unemployment reached 25%. The Great Depression fundamentally challenged the economic knowledge of the age; what had previously been seen as the infallible path to prosperity now seemed fatally flawed. As politicians struggled to come to terms with the scale of the economic problems they faced they began to search for economic theories to rescue the country from its predicament. Keynesian economics emerged as the answer — rather than advocating that the invisible hand of the market be able to operate unrestricted, Keynesian economics argued for considerable intervention in the market. In other words, the invisible hand should no longer be invisible, but actively controlled by the government. Specifically, Keynes economic theories postulated that the government should spend more in order to fund projects for the purpose of raising employment. This in turn would help to kick-start the economy as with more people employed there would be more people with available money to spend in the marketplace.

Under Roosevelt, Keynesian economic policies were adopted with the 'New Deal' which “embarked on a far-reaching program of experimentation and expansion of government authority over the economy.” In England too Keynes ideas held sway as evidenced by their burgeoning social welfare system. It seemed that laissez faire capitalism had become outmoded. Indeed, this was the case until relatively late in the century as exemplified by the fact that when President Richard Nixon instituted price controls, and cut the dollar loose from its tenous backing he cynically quipped, “We are all Keynesians now.”

However, in the late seventies and eighties Keynesian economic policies began to fall out of favour and beginning with Margaret Thatcher in the United Kingdom and following under Regan in the United States, there was a paradigm shift away from Keynesian economics towards neoliberal economic reform. At the heart of neoliberal economics, and what was later to become known as ‘The Washington Consensus’ is wholesale privatization of government assets, deregulation of the economy and the mantra of the free market. The net effect of these policies has been the retreat of government from the core economic activities — what Lenin called “the commanding heights” of national economies. The Washington consensus became the global decree with institutions such as the IMF and the World Bank pushing its agenda in the developing world. However, the impact of world economic development has been far from equal with numerous states barely benefiting from the massive technological, social and economic changes that encompass globalization.

NEW ZEALAND

The question now arises as to where New Zealand fits within the global economic situation. Prior to colonisation, the indigenous iwi owned all property in common and had an established economy based on inter-tribal trading. Colonisation saw the overturn of this collective way of life and the dispossession of iwi from their land, language and culture. The settler economy which succeeded it became firmly grounded in agriculture and by 1950 with high demand for New Zealand products the economy boomed and the New Zealand dollar exceeded that of the US. At this stage in New Zealand’s economic history the average Pakeha New Zealander was earning a good income.
with New Zealand having one of highest GDP’s per capita in the world. However, since the mid twentieth century New Zealand’s economy slackened, partially because the demand for wool dropped and partially because of the creation of the EU.

Since this point NZ has struggled economically, as it has not been quite able to finds it place in a post EU world. As New Zealand economic commentator Brian Easton has noted, “the hegemony of the farm lobby was reinforced by the apparent lack of viable alternative strategies. If New Zealand did not export pastoral products what would the economy do?” Consequently, the New Zealand economy continued to fuddle its way through the last quarter of the twentieth century as it had done before, but without the high demand for its products.

It was in this context of economic stagnation that Muldoon began the capital intensive investments of doubtful commercial benefit known as ‘Think Big’ as well as an expensive universal superannuation scheme. By the time of the 1984 election New Zealand was confronted with a failing economy and the incumbent Labour government decided that desperate times called for desperate measures. The economic policies that they adopted transformed the objectives of the modern state and repudiated the paradigm of state welfarism and Keynesian economics established by the earlier Liberal and Labour governments. The market based neo-liberal policies the Labour government adopted became known as “Rogernomics” after the Minister of Finance and architect of the reforms, Sir Richard Douglas. While these drastic changes to the New Zealand economy were validated on the ground that ‘there is no alternative’ as Shaun Goldsmith has noted “it was not inevitable that the policy responses made during the 1980’s would be derivative of certain kinds of economics…There is never one set of ideas and answers to policy questions and problems, and there are always competing paradigms.”

It was in the context of a paradigm shift towards neoliberal economics that in 1996 Ngai Tahu became the first legally recognised tribal entity with the passage of the Runanga Ngai Tahu Act 1996. Given the time in which it was created, where indeed according to many ‘there was no alternative’ to neoliberal economics, it is no surprise that Ngai Tahu followed the wisdom of its age in its organisational structure and so it has carried on until today. However, now stress fractures are beginning to show as Ngai Tahu grapples with exactly how they are supposed to live up to their motto ‘For our generations and the next’ under the standard corporate model. The question thus arises — where to from here?

DIFFERENT TYPES OF CAPITALISM

While the word ‘capitalism’ is often used in a way that assumes it has a fixed economic meaning and prescription (namely neo-liberalism), in fact the term is historically contingent and can be used to denote a number of economic systems. The following section will therefore explore a number of economic models which challenge a reductionist neoliberal account of capitalism.

HENRY GEORGE AND THE ‘SINGLE TAX’

In 1879, Henry George published the book Poverty and Progress, in which he propounded an economic theory that was to have considerable influence. In fact, the book became the highest grossing nonfiction book of the nineteenth century. In this book George set out to resolve what he regarded to be the greatest paradox of his time: the persistence of poverty and great inequality despite massive technological advances which should have improved the life conditions of all
humankind. In his own words, “[a]t the beginning of this marvellous era it was natural to expect, and it was expected, that labor saving inventions would lighten the toil and improve the condition of the labourer; that the enormous increase in the power of producing wealth would make real poverty a thing of the past.”23 The pervasive theme of Progress and Poverty is thus quite literally expressed in its title.24

Upon deciding that this was the single greatest issue of his era, Henry George, drawing upon the work of previous theorists such as David Ricardo, Robert Malthus and Richard Jones, argued that the cause of poverty was ownership of land. George argued that land ownership was the reason why wages constantly tend to a minimum, despite increases in productive power on the basis that, “with increase in productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages.”25

Having theorised what the problem was George turned his mind to its remedy, which can be paraphrased quite simply: “in any community the revenue needed for community purposes should be raised by requiring all occupiers of the community’s land to reimburse the community in proportion to the value of their land, instead of requiring them to pay taxes levied on the income earned from their labour.”26 Consequently control of the economy would be through the variation of tax on land.

At the time at which he wrote George’s simple and concise diagnosis of the problem and its solution had much to recommend it, however, it can be argued that the rise of corporations and global economics to some extent would thwart the effectiveness of George’s proposed Single Tax solution. This is because today in the West value is not assigned only to tangible capital or goods — rather the massive profits made by corporations lie in the ephemeral intellectual property that goes into the making of products.27 Furthermore, the advent of globalisation has meant that for many economic entities the need for land and resources has been minimised, or more specifically diffused. Therefore, in order to be truly effective the Georgist system would need to be applied worldwide.

This is not to say that Georgist ideas have no continued relevance. As Gaffney has argued ideas that are today are associated with the liberal left such as the fairness of progressive taxes, (especially on “unearned” income) concern for “root causes” of poverty and unemployment, concern for social and racial justice, have their roots in George’s writings.28 However, by the same note, ideas that are now associated with the free-market and neo-liberal economics of the right, such as, the productive power of capitalism, the need for free trade and the need to liberate labor and capital from burdensome taxation and regulation, are equally rooted in Georgist ideas.29 Thus George’s ideas transcend the dichotomy between left and right, combing elements of both. Moreover, George is also important for the way in which he questioned the status quo of his era. Thus the spirit in which he wrote, if not its precise contours, has continued importance, raising the question of what George would say about the current neo-liberal economic paradigm.

GEORGE HULL AND COLLECTIVE CAPITALISM

The term ‘collective capitalism’ is first attributed to a 1931 article of the same name written by George Hull Jr.30 Writing during the heart of the Great Depression, Hull Jr. drew upon an in-depth analysis of 11 industrial depressions published in 1911 by his father Hull Sr., to hypothesize why it was that depressions occurred. Based upon his analysis of Hull Sr.’s study the younger Hull
concluded that societal depressions are instigated by boom and bust cycles in the construction industry, and consequently in order to stop future depressions it was necessary to address the issues which created instability within the construction market.

While it must be noted that in some respects the article by virtue of being written in 1931 is entirely outmoded — it would for example, be entirely fallacious to assert that the recent global economic crisis was caused by a bust and boom cycle in construction. Indeed, it can be pointed out that the West has moved away from the production of goods entirely to the point where their economies are dominated by financial services and intellectual property. However, while Hull’s hypothesis rests upon what is now an erroneous assumption that does not mean that his central tenets no longer have applicability and his ideas still demand to be explored.

Essentially Hull argues that the problem with the way in which industry is currently organised is the antagonistic relationship which exists between labour and capital. According to Hull, in times of depression a paradox occurs in the relationship between capital and labour in that: “[w]ages must be reduced to revive the construction industry and thus revive general business. On the other hand wages cannot be reduced because it is not fair to Labor and because Labor is able to stop it by open warfare which will be destructive to everyone.” Furthermore, Hull argues that “Labor has not ever received a proper share in the profits of industry”, with the consequence that the working class lives in poverty whilst the capitalist class lives comfortably. Thus by Hull’s account both parties are short changed by this relationship.

Hull’s solution to this perceived paradox is “to make Labor’s share of the profits as flexible as Capital’s, in this manner: a lowered flat wage, based on the cost of living and the assured earning power of a given enterprise, combined with a flexible wage paid in common stock out of annual net profits. By this device Labor would become — in fact, not in oratory — a partner of Capital, with commensurate interests of the mutual production.” The relationship between capital and labor would therefore become a, “cooperative partnership based on equitable profit sharing.”

In a later paper entitled, ‘Profit Sharing and Prosperity’ Hull expanded and illumined what he meant by the concept of collective capitalism. In this paper he argued that, “If true capitalism demands that nothing shall be rigid, fixed wage rates and fixed debt structures have no place in it — are in fact, antagonistic to it.” Thus instead of being a move in the direction of socialism, collective capitalism according to the definitions of ‘socialism’ and ‘capitalism’ provided by Hull is actually a fulfilment of the fluidity which he sees as the determining characteristic of capitalism. Thus turning what is often thought to be the result of capitalism on its head, Hull argues that moving towards what he regards as the true nature of capitalism will produce a more egalitarian outcome.

The suggestion by Hull that capitalism reinvented, or from his point of view fulfilled, is important in that it illuminates a point which has often been obscured by the seemingly Manichean divide between socialism and capitalism: that capitalism is not necessarily a prescription for neoliberal economic policies and further that capitalism need not mean that wealth is concentrated in fewer hands. Extrapolating from this argument it can be argued that the consequences which are often associated with socialism and egalitarianism such as social welfare may in effect lead to inequality in society. Instead it may be that what creates more opportunities for those in low socio-economic brackets are policies which are deemed capitalistic in nature, but which are applied in a new way and for a given purpose.
The idea that labour’s profit should be commensurate with how well a given enterprise is performing has been adopted by some companies to a certain extent. For example, companies such as Yahoo and Microsoft are well known for enumerating their workers in part with stock options and shares. This has the effect of providing workers with a real incentive for ensuring that the enterprise for which they work for succeeds economically. This has meant that not all the benefits of good company performance are distributed to the capitalist class. However, it is hardly necessary to point out that the distribution of these benefits varies widely as evidenced by the massive fortune that the founder of Microsoft, Bill Gates has amassed. This wide disparity in enumeration makes it difficult to frame the relationship between the capitalist class and labourers in Microsoft as a ‘partnership’, such as that forwarded by Hull. Yet this disparity does not undermine what is in principle an important concept: that those who work for a given enterprise should share in the profits of their labour. Furthermore, the example of Microsoft points to the fact that by an ironic twist of fate the capitalist super giants are now partially owned by the workers themselves, thereby illustrating the amorphous nature of both capitalism and socialism.

CHINA’S CAPITALISM

While for much of the world’s history China outstripped the West considerably in terms of its innovations, inventions and economics, in the past few centuries China slumbered and was a country characterised by a seemingly unchanging feudalism. So it was that up until the early twentieth century China was a country comprised predominantly of peasants who managed to eke out a miserable subsistence level existence. The political system was defined by rampant corruption and disregard for the peasants which it ruled over. Mass discontent grew in the countryside until, eventually, under the charismatic leadership of Mao Zedong, the peasants overthrew their feudal overlords in what was one of the defining revolutions of the twentieth century.

After the 1949 revolution China installed a socialist economy both in industry and beginning in the mid 1950’s agriculture; the private sector was minimal and operated on a minute scale and in the shadows. The socialist policies which were embarked upon included an ambitious economic program to pull peasants out of poverty. Mao entitled it the ‘Great Leap Forward’ and it was premised on the belief that through one titanic effort everything could be accomplished at once. Many of the policies advocated by the experiment were highly specious and misguided and eventuated in a systematic failure in central planning. The result was mass starvation, with 30 million or about 4% of the population perishing, during the period 1958-1961.

While after 1961 many of the economic policies of the Great Leap Forward were abandoned, the socialist program in China continued unabated with the Cultural Revolution which by 1977 had led China to the brink of economic collapse. After the death of Mao Zedong, the communist party — reading the discontent of the people — searched for new economic formulations and a new leader to guide them. The former enemy of the state Deng Xiaoping who during the Cultural Revolution had been labelled a ‘capitalist in-roader’ emerged during this period to lead China on a path to economic reform. Deng Xiaoping dismissed catechistic distinctions between capitalism and communism arguing that, “[m]arket economies need not be surnamed capitalist…Socialism has markets too. Plans and markets are simply economic steeping stones…to universal prosperity and riches.” Consequently, from the view of the Chinese Communist party the choice has never been between economic growth and communism, but rather the reforms signalled an attempt to bring
both of these factors together. In the words of Xiaoping, "Grasp with both hands, and make sure both hold tight." That is stress both economic growth and socialist culture.48

Despite such claims, it is evident that China has moved a long way away from being a command economy towards being governed by market forces.49 In September 1997, the Fifteenth Party Congress addressed the issue of reform of the state owned sector. The Party Congress declared that most of these enterprises — as many as a hundred thousand — would be divorced from the state and operated on the principle of what is sometimes called ‘ming yang’ — people owned companies.50 According to the then Premier Zhu there needed to be a swift restructuring of the state-owned companies; “the role of government and enterprise”, he said had to be “urgently separated.”51 The great extent of the transformation in China perhaps reached a zenith when in November 2001 China formally became a member of the WTO, thereby taking their place within the global neoliberal framework.

The astronomical reforms that have taken place find their vivid illustration in the landscape of China itself. Only a mere two decades ago the current landscape of China would have been unthinkable. In areas where ten years ago there was only fields and old housing projects today is a high tech urban landscape with immaculate and gaudy buildings that touch the sky.52 Brands like Coca-Cola, McDonald’s and Kentucky Fried Chicken have become ubiquitous.53 These reforms have led to a dramatic rise in the standard of living many of China’s citizens. Since 1978 the number of Chinese living below the poverty line — defined by the World Bank as those surviving on less than two thirds of a US dollar a day — had fallen from 260 million to 42 million in a country of 1.3 billion.54 Indeed, as pointed out by Summers, in the past three decades China has experienced the same degree of industrialization that took two centuries to occur in Europe.55

However, while China has adopted many of the reforms associated with neo-liberal economics it would be a mistake to believe that China has merely attempted to follow the development paths of the West, as their rise to prosperity has been a result of an economic system and development strategy which is uniquely their own and which combines a number of features foreign to the economies of the West. As one scholar has pointed out, “[t]he chief difference between Chinese and Anglo-American capitalisms lies in the mechanisms controlling the outcome of production and distribution ie the state and the market. From the very beginning when the late Chinese leader Deng Xiaoping launched China’s reforms, the state has determined the extent to which markets can function in China.56

The fact that China has succeed using many of the tools of neoliberal economics combined with authoritarianism has been viewed as a paradoxical aberration because economic growth has been achieved without democracy, with the scope tempo and processes of change controlled by the authoritarian state.57 In fact, overlapping and incongruous features often characterise the Chinese state apparatus, including amalgamations of regulatory, entrepreneurial, clientelist, developmental and predatory state formations.”58 The success of these reforms may challenge traditional neo-classical economic theory and the much debated Washington or post Washington consensus.59

However, while there has been a dramatic rise in the standard living in the country, it is important to note that the gap between the affluent and the indigent had widened dramatically, while the social welfare system has all but vanished.60 Geographically also the economic development has been uneven, with the south and east benefiting most.61 Furthermore, despite extensive economic
growth, corruption, poor investment and non-performing loans has been another unintended consequence of economic reform. Indeed, it has been estimated that as a result of bribes, tax evasion, pilfering and arbitrary local levels one seventh of the GDP was lost. On this basis a number of authors have pointed out that the economic system, is corrupt and lacking in legal structure which is a significant curb on its continued growth.

What then is the significance of the Chinese example? Firstly, it patently illustrates that the divide between socialism and capitalism has crumbled. No major power today can now claim a strictly market economy, while states such as the US who have declared themselves as the epitome of capitalism continue to highly regulate their economies. Secondly, China also shows that there are alternatives to the vaunted Washington Consensus and that despite claims to the contrary there is more than one path to development. Finally, while we may not agree with China’s authoritarian stance, the fact that China has managed to control and guide its capitalism illustrates the point that governments need not entirely bow to the forces of the market: there is still choice over which path to take and what decisions to make politically.

THE JAPANESE MODEL

In the post WWII years Japan had a period of sustained and remarkable growth with real annual GDP growth rates averaging 10% from 1955 through the 1960’s, 5% during the 1970’s and 4% during the 1980’s. The result was that between 1946 and 1976 Japan’s economy increased 55 fold. During this period of economic prosperity the country enjoyed high income, high income equality, low crime rates, low unemployment rates, strong export rates, a strong currency, and a growing current account surplus. This great economic success attracted considerable interest from observers who questioned what it was about the Japanese economy that had led to such impressive results.

It has been recognised that the post WWII economy was characterised by a number of features which stand in stark contrast to Western economies and the laissez faire theoretical ideal. As David Schweikart has noted its central features include, 1) large scale state intervention, particularly regarding investment decisions; 2) a dual economy, one half dominated by a handful of competing conglomerates termed keiretsu and the other half consisting of thousands of smaller firms, often linked hierarchically via subcontracting arrangements to one another and to a keiretsu; and 3) workplace relations (in the keiretsu sector) characterized by lifetime employment guarantees, wages tied tightly to seniority, substantial bonuses linked to company earnings, and considerable worker participation in decision making.

The aspect of the Japanese economy which makes it unique and which has attracted a considerable body of literature is the economic ties engendered by keiretsu. The term ‘keiretsu’ literally translated means, ‘headless combine’ and is the name given to form of corporate structure in which a number of organisations link together, usually by having small stakes in each other which serves to foster close business relationships. It is important to note however, that there are two types of keiretsu; horizontal and vertical which are quite different in their composition and organisational style.

Horizontal keiretsu refers to firms that operate in many different industries and have a close relationship with a primary lender (main bank). Until the recent past, there had been six main banks which had keiretsu relationships, however mergers have reduced this number to four. Firms which
are part of horizontal keiretsu are usually related to each other by the following mechanisms: (a) the main bank is the principal lender to group members, it owns a significant number of shares in group firms, and it often takes part in their management; (b) Group firms cross-sharehold and occasionally exchange personnel as well; and sometimes (c) There are scheduled meetings of presidents or directors at ‘Presidents Club’ (shacho-kai) meetings.73

Complementing horizontal keiretsu is vertical keiretsu which are usually comprised of a major industrial firm and its buyers and suppliers. Under the vertical keiretsu model there is a clear control structure, with the “core” manufacturing firms and its key suppliers at the center of the network.74 In contrast to the reciprocal holdings in horizontal keiretsu, shareholdings in vertical groupings are asymmetric, with suppliers holding small if any positions in primary firms. These vertical keiretsu have been hailed as an innovative way to defuse the traditionally adversarial relationship between buyer and supplier on the basis that if you own a bit of your supplier, reinforced sometimes by your supplier owning a bit of you, then it is more likely that both sides will reach agreements that are of mutual benefit.75 Examples of these groupings are those centred around major automobile manufacturers such as Toyota and Honda.76

Thus the idea behind keiretsu is predicated on the philosophy that firms working together can achieve more than those in constant competition with all other members of the marketplace. Consequently, in order to achieve the best result for the firm, the firm also tries to help other member firms to achieve their best result (on the basis that this is ultimately in the best interests of both parties.) This is not to say that there is no competition within the Japanese system — keiretsu compete fiercely against other keiretsu — but rather that they act in cooperation with economic actors with which they are affiliated.77 While the literature surrounding keiretsu is conflicted a number of benefits have been observed from scholars who have studied the workings of the keiretsu system. In particular, McGuire and Dow identify five chief benefits that have emerged from the literature.78

The first is that it provides access to stable financing. In the case of vertical keiretsu the close relationship between industrial firms and suppliers and buyers ensures steady flows of supplies and markets79 whilst with horizontal keiretsu the tight relationships that exist between banks and firms and the practice of reciprocal shareholding provides a stable financial network.80 The second benefit that can result from the keiretsu system is insulation for firms from market pressures in the interests of short term performance. That is to say that because parts of the keiretsu can provide financial assistance to each other in times of financial hardship, operations can continue smoothly so that firms do not constantly have to change their operations with the vagaries of the market.81

A third benefit of the keiretsu model is risk reduction in the economic enterprises that member firms undertake.82 For example, an important area for risk reduction is in the field of advanced scientific and technological research as while such research is able to generate substantial profits such ventures have the potential to be enormously costly and may in the end result in economic losses. Furthermore, some such undertakings may simply be too costly for any one firm to undertake without assistance making the keiretsu system important for its ability to group resources.83

Fourthly, keiretsu can be beneficial for the monitoring benefits and reductions of information asymmetries that they can provide. This is because keiretsu can serve as an efficient monitoring mechanism that can mitigate the incentive, information, and control problems associated with
agency conflicts, thereby reducing agency costs and improving efficiency. Furthermore, insofar as the keiretsu system serves as an efficient monitoring mechanism, it can serve to limit inappropriate diversification, and poor management decisions.

Finally, keiretsu can also be beneficial in terms of mutual assistance in that reciprocal shareholding and memberships on president’s councils encourage mutual assistance and reduce information asymmetry among horizontal keiretsu stakeholders. This serves to reduce both transaction and agency costs. In addition, the keiretsu system facilitates the use of firm specific complementary skills and resources. For example, when a firm within the keiretsu network is economically struggling other firms within the keiretsu may assist by providing especially gifted personnel or resources which are rare or superfluous to their requirements.

At this point it must be pointed out that to see the keiretsu system in terms of its benefits only is a partial presentation of the picture. Indeed, a number of studies have shown that when compared to other ‘independent’ firms in Japan keiretsu affiliated firms have had lower growth and poorer financial performance. Importantly however, Dow and McGuire have suggested that this overall lower performance hides an important dynamic, that of performance “levelling” through mutual assistance. That is to say that within the keiretsu system stronger performing members support and assist weaker members.

Yet while the benefit resulting from the ‘levelling effect’ of keiretsu serves to ameliorate the charge that keiretsu firms have been documented to underperform when compared with their independent counterparts, the fact of economic stagnation in the last twenty years also brings the Japanese system into disrepute. This economic stagnation began in late 1989 with a drop in real-estate prices and sudden deflationary pressures and by the end of 1990, the Nekkei had fallen considerably. Since this point the dynamic economic growth which had characterised the forty years following WWII has eluded Japan. This economic slump has led commentators to question how beneficial the keiretsu system really is for Japan. In particular, a number of studies have pointed to the main bank system as the cause for accumulation of bad debts which crippled the economy.

Furthermore, the fact that members of a keiretsu run to another members aid in times of financial crisis has at times resulted in the propping up of failing enterprises. An example of a failing business continuing against all economic logic can be found in the Sogo Department Store which while eventually filing for bankruptcy in 2000 continued for years in insolvency as its keiretsu lender continued to pour money down the black hole of its balance sheets. According to Japanese economic professor Murphy Taggart, the firm had been one of the yoshingendo shoryaku saki (literally ‘entities outside credit limits’), a term used informally within banking and trading companies for borrowers so well protected within the Japanese system that bankruptcy was considered unthinkable.

While it is far too simplistic to attribute Japan’s economic stagnation wholly to the keiretsu system, as at most it can only be seen as a partial cause, it does suggest that there may be significant pitfalls of the keiretsu system. In sum, then one can see that the keiretsu system when working well can yield enormous economic benefits for those who participate in its workings, but that careful attention needs to be paid to economic viability, opposed to the mere maintenance of the keiretsu.
The question now arises as to what possible applicability the keiretsu model could have for Ngai Tahu. As noted in the above, a major problem with the keiretsu system identified in the literature stems from the banking system which it engenders. Consequently, much of the criticism is centred around an issue which would have little applicability if Ngai Tahu was to create a model based loosely upon the idea of keiretsu. The keiretsu model may be able to provide some illumination as to the best way to align the goals and vision of Ngai Tahu so that it works with a concerted purpose. Importantly applying the keiretsu model would allow Ngai Tahu to incorporate Ngai Tahu’s individual shareholdings into one another so as to maximise the profits of each by reducing externalities. It is argued that there is intuitive sense in the idea that Ngai Tahu should try and provide contracts to other Ngai Tahu Holdings in order to further develop its own industries and so as not to have deal with outside suppliers and producers. Obviously, this idea can only be of limited application — Ngai Tahu should not strive to live in an isolated economy — but it is nonetheless an important one.

The keiretsu model could also be important for ensuring that there is more oversight from one holding to another. This is important as shared information and expertise helps to create the best possible decisions. Furthermore, the keiretsu model would also allow for the diversification of portfolios and the sharing of risks between Ngai Tahu holdings. Thus while Ngai Tahu would need to be careful not to follow the pitfalls of the keiretsu model (such as propping up holdings that are economically unviable) there are real and substantive benefits that could be ascertained from applying the keiretsu model with due caution.

MONDRAGON

We are not working for chimerical ideals — we are realists. Conscious of what we cannot do […] we concentrate on those things that we have hopes of changing among ourselves more than on those things that we cannot change in others[…] Dedicated to changing those things we can and that we are in fact changing, we are conscious of the force that this movement produces.”93 — Fr.JoseArizmendiariarrieta.

Mondragon is a Basque based cooperative which has generated a considerable body of literature which is attributable to its long-standing, size and its sustained financial success.94 Mondragon had its humble beginnings in 1943 when in the small town of Mondragon a school for working-class boys was established. The school was the vision of a local priest, Don Jose Maria Arizmendi, who dreamed of creating an organisation that upheld the equal value he believed every individual to possess. This led to five graduates of Arizmendi deciding to create a worker’s cooperative based on the social and economic philosophy that they had developed in concert with Arizmendi. After some initial difficulties on November 12 1956 the cooperative ‘Ulgor’ was born and Mondragon had its genesis.95

From this point the organisation expanded rapidly until in the present day when Mondragon Cooperative Corporacion (MCC) forms the biggest business group in the Basque Country, and the 7th largest in Spain (third in employment), employing over 85, 000 people.96 MCC is not merely comprised of business enterprises, but also includes a research centre (Ikerlan), a social security service (Lagun Aro), a bank (Caja Laboral), and a polytechnic and professional institute (Escuela Polytecnica).97 The organisations continued financial success has been astounding — evidenced
by the fact that despite the world financial crisis, which has been particularly poignant in Spain, Mondragon Corporation ended the 2010 financial year with a profit of 178 million Euros tripling the figure for 2009. This impressive economic result is a reflection of Mondragon’s ability to adapt to changes in the economic environment and in particular the processes of globalization.

Besides MCC’S financial success, it has continued to rank well in other measures: indeed it can be argued that its success lies more in the fact that it has managed to maintain social values while being a highly competitive company in a capitalist environment. As the Economist has noted, “The Mondragon group ranks among Europe’s industrial heavyweights… It sets out not to earn dividends for shareholders but to provide jobs, social security, and education.” This is illustrated by the fact that MCC was ranked in 2003 by the magazine Fortune one of the ten best firms to work for in Europe based on aspects such as equality, personal decision making capacity, the absence of a hierarchal atmosphere, participation in profits, honesty, time flexibility, professional opportunities within the firm, working conditions, commitment to quality and internalization.” Studies have also found that women who work under cooperatives such as that presented by Mondragon women fare somewhat better in terms of employment, earnings and job security, than under private firms. Moreover, the issue of gender discrimination appears to be real concern for Mondragon with “the issue of gender [being] debated and taken seriously.”

The constitution and bylaws of Ulgor, with several modifications became the model for all the worker cooperatives created subsequently. The document rests ultimate power in the General Assembly of the cooperative (assemblea general), in which all members of the firm have not only the right but the obligation to vote.

David Herrera succinctly summarized how the structure of Mondragon differs from that of traditional organizations when he noted that:

“[a] traditional organizations (for profit, or not for profit) is characterized by top down decision making, (with) restricted participation of employees, a concentration of power at the top of the organization, and limited information about the organization available to employees. A traditional for profit organization is further characterized by capital investors and employees usually being different people; maximisation of economic benefits to primarily reward capital investors; objectives of investors, managers and workers often not being consistent with each other; and voluntary economic participation in the community.”

The cooperative nature of MCC works on the basis that each member, upon being hired to work in a cooperative, loans a set amount to the cooperative’s capital fund, for which he or she receives a fixed rate of interest. The compensation they receive takes three forms: wages, 6% fixed interest on the capital loan, profits of the cooperative which accrue to shares and are used for capital investment until the member’s retirement. An important aspect of remuneration at Mondragon is that each cooperative establishes an allowable pay differential between the lowest and highest paid (1: 4, 5 in most enterprises). The effect of this policy is illustrated by the fact that the highest level engineers in Mondragon firms make 30% less than comparably skilled engineers employed by capitalist firms in the province.

If Ngai Tahu was to draw inspiration from the model presented by Mondragon, then rather than having Ngai Tahu holdings and the societal developments it undertakes as separate entities delineated with different purposes the two would become fused. NgaiTahu Holdings themselves
would be run for the purpose of providing jobs, educational opportunities and other social security needs. Furthermore, the notion that people will work for comparatively less than they would receive in other jobs if their workplace is able to deliver non-financial rewards is an especially important one for an organisation such as Ngai Tahu. This is because while Ngai Tahu is now a major corporate entity they simply do not have the allocatable resources to pay the highest wages comparative to other commercial enterprises. Importantly, then Ngai Tahu has to look for other ways in which to employ the people which will best serve its goals and vision. Mondragon offers an excellent example of the fact that staff will work for lower rates than that offered by others if there are other non-economic incentives such as a feeling that the individual is contributing to an entity which works for the social good, has cultural value and a work atmosphere which appreciates their contribution and makes them feel respected. It is on the level of the non-economic incentives that Ngai Tahu has the ability to compete proficiently and upon which it should capitalise.

Here it is important to note that so much has been written about Mondragon that its stature as a non-capitalist entity has led to it being attributed almost mythical proportions of greatness. This picture however omits the fact that work is still work: some of it dreary, tedious and unfulfilling and that not all workers will feel that they get to participate in a way that is meaningful to them all of the time. This is the point that Kasmir makes in her book, The Myth of Mondragon in which she observes that some (based on an admittedly small sample) of Mondragon’s employees have low job satisfaction. In other words she points out that Mondragon is in fact a reality and not a utopian dream. Nonetheless, if observers tend to get a little carried away by Mondragon the flaw is understandable — while Mondragon is far from perfect what they have achieved is truly staggering.

HERNANDO DE SOTO

The Peruvian economist Hernando de Soto has become extremely well-known and influential for his two major works, The Other Path and The Mystery of Capital. In the former of these works, de Soto extrapolates from his experience of Peru and analysis of five major cities in the developing world, to theorise that the problem generally in developing countries is that economic progress has been stifled by an excess of regulations and bureaucracy. He argues that the consequence of these excessive regulations and bureaucratic red tape has been the creation of informal activity due to the fact that compliance is too costly, in terms of both money and time. Indeed, in one of the more startling illustrations of his point de Soto’s research team simulated the setting up of a small clothing factory and found that it would require 289 working days to acquire the necessary permits when bribes were used only when absolutely necessary.

Accordingly, de Soto argues that the capitalism practiced in countries such as Peru have not yet evolved past the stage of mercentalism, which he defines as ‘the belief that the economic welfare of the State can only be secured by government regulation of a nationalist character.” On this basis, de Soto argues that it is only to be expected that informal activities will arise and instead of blaming those who operate outside of the law, blame should be assigned to the state for making it all but impossible for the average person to conduct their lives strictly within the law.

In The Mystery of Capital, de Soto seeks to address the question of why capitalism has worked in the West, but not for the developing world. His conclusion is simple: “The reason capitalism has triumphed in the West and sputtered in the rest of the world is because most of the assets in Western nations have been integrated into one formal representational system.” Thus while The
Other Path focused on actions the state take that hinder entrepreneurship and growth, the Mystery of Capital looks from the other side and focuses upon actions the state fails to take: creating and enforcing private property rights.

The importance de Soto places on a formal property system is based on his finding that contrary to what has previously been understood the poor in the developing world actually possess vast assets. In his own words, “[e]ven those who live under the most grossly unequal regimes possess far more than anybody has ever understood.” Indeed de Soto, based upon his analysis of five cities estimates that in total there is over $9.34 trillion dollars in informally owned assets in the developing world — a total which is, “very nearly as much as the total value of all the companies listed on the main stock exchanges of the world’s most developed countries.”

However, while the poor may possess vast assets informally, the fact that it is not legally recognised makes it difficult to use these assets as collateral meaning that transactions must be limited to smaller communities of traders. Thus a legal system which clearly defines and enforces property rights not only allows would-be capitalists to borrow more easily, but also provide the information needed for the markets to function properly. The idea that legal recognition would lead to greater borrowing and would raise the value of land has some support from empirical research.

Ultimately then de Soto’s suggestions amount to an argument for neoliberal economic policies with a strong focus on putting a comprehensive legal framework in place guaranteeing individual property rights. In essence, he argues that what he regards as the almost unmitigated success of capitalism can in the West be replicated in developing countries by putting into place the conditions which he believes allowed the potential of capital to be unlocked. The suggestion that a formal property recognition will lead to the unlocking of capital for the world’s poor is an important suggestion — and one which challenges the ingrained belief that some of the world’s poorest countries are simply not cut out for capitalism.

However, it must be pointed out that there are some significant flaws in De Soto’s arguments. Firstly, de Soto merely skims over an issue which is an inherently problematic aspect of moving away from an informal to a formal property system — determining who the rightful owner is when there is a conflict of ownership. A second problematic aspect of de Soto’s work is the way in which he constructs cultures uniformly, with the consequent result that his prescription is monolithic. Interestingly, the book is commended by the vanguard of the ‘Washington Consensus’, George Bush Jnr., on the basis that, “de Soto’s great contribution has been to point out what, in retrospect, may seem obvious: People everywhere want the same thing.” Yet this is patently untrue as it fails to take account of countries individual histories and cultures. Furthermore, it can be pointed out that de Soto overstates his case for the economic reforms he proposes. Throughout these works he intimates that all that is needed for developing countries to replicate the economic success of the West is better economic legal frameworks; yet such a prescription for the ailments of the developing world and the cure for terrorism, is surely not so simple: issues such as corruption, feudalism and tribal rivalry are insidious and systemic issues that are not easily banished.

Nonetheless, while it fair to say that de Soto exaggerates his case, that does not mean that his central arguments do not have merit. In terms of the situation confronting Ngai Tahu moving into the second decade of the twenty first century his arguments have a central resonance. This is so particularly for individual Maori who are stuck with the colonisers’ private capital system which
eroded their own collective ownership, but often without being able to gain any of the benefits which are necessary to be able to succeed within a capitalist economy. This is because many Maori by virtue of the restrictions on subdividing and uncertainty about who own the lands that they dwell on are unable to make changes which would benefit the futures of their children and the communities in which they reside.

CONCLUSION

In sum, the fact that Ngai Tahu is today a corporation does not mean that it must forever be locked into that model. It must be understood that the fact that Ngai Tahu was created as a corporation is in itself a reflection of a historically contingent economic and legal ideology, which should be subject to re-evaluation for its efficacy and subject to change. As noted in the beginning corporations have their ignoble roots in the building of Empires. These mercantilist corporations robbed and subjugated the indigenous people of the lands from which they sought to benefit. It is thus a considerable irony that corporations have now come to subsume and appropriate tribal structures themselves, dictating what they are and are not capable of and restricting indigenous people’s ability to realize the values and customs which lie at the very heart of their culture. In fact, one may argue that it signals the logical progress of the Frankenstein monster nature of corporations, whereas corporations had their beginnings as the first colonisers, now tribes through the adoption of the corporate model internally colonise their people. Thus it can be argued that indigenous people bind themselves within the logic of a foreign entity which is wholly incapable of providing the self determination that they seek. The question is thus: where to from here? What kind of entity will fulfil the goals and visions of tribes as they move forward into the twentieth century?


15. In particular the Native Title Act 1865 was responsible for the destruction for the destruction of the tribal system.


25. H George, Poverty and Progress (Cosimo, New York, 2005) at 201.


27. N Klein, No Logo (Picador, 2002).


29. Ibid.


31. Indeed it can be pointed out that in a sense Western economies are almost devoid of capitalism. As J S Ralston has noted, “Capitalism is the ownership and use of the concrete but dynamic elements in a society — what is commonly known as the means of production. A capitalist is someone who produces more capital through the production of the means he owns… the contemporary idea of capitalism grandly presents “service” as its new sophisticated manifestation. But the selling of one’s own skills is not a capitalist art. …The service industries cannot even claim to be at the creative end of capitalism — that is the front end, which converts abstract capital into production. Instead, they live off the results of capitalism. Politely put, they are the tertiary sector, which in simple terms, means they are economic parasites.” J S Ralston, Voltaire’s Bastards (Vintage Books, New York, 1992) at 384. see also N Klein, No Logo (Picador, 2002).

32. Ibid, at 7.

33. Ibid, at 7.

34. Ibid, at 8.


39. The depiction of China as the sleeping giant of the world comes from an opinion attributed to Napoleon Bonaparte that, “Behold the Chinese Empire. Let it sleep for when this dragon wakes the world will tremble.” Quoted in: J Fitzgerald, Awakening China: Politics, Culture and Class in the Nationalist Revolution (Stanford University Press, California, 1996), at 41.


43. Ibid, at 840.
44. Compare with N D Kristof and S WuDunn, China Wakes: The Struggle for the Soul of a Rising Power (Vintage Books, 1995), which argues that even during the Cultural Revolution China experienced very modest economic growth and thus the notion that it was a complete economic disaster is misfounded.
47. Ibid, at 197.
51. Ibid, at 205.
52. D Guthrie, China and Globalization: the Social, Economic and Political Transformation of China (Taylor and Francis, 2009) at 1.
57. Ibid, at, i. Yet it can be argued that the seemingly indelible link between capitalism and democracy is actually a historical accident opposed to a relationship of inevitability. As John Ralston Saul has pointed out free enterprise works far better when it operates beneath friendly, authoritarian government structures. Unquestioned political stability suits the embracing of financial risk. Authoritarian governments can ally themselves to money without fear of conflict of interest. They can do things faster. Compromise less. In support of his argument Saul points out that in France, Germany, England, the US and Russia, capitalism’s high points have all occurred when these governments have been at their most authoritarian, when universal male suffrage, child labour laws, and work and safety regulations did not trammel capitalists ventures. J R Saul, Voltaire’s Bastards: the Dictatorship of Reason in the West (Vintage Books, 1993) at 386.
62. Ibid, at 166.


70. It must be noted that any discussion of keiretsu structure must necessarily over-simplify the complex and deeply embedded nature of keiretsu ties in the Japanese economy. As J McGuire and S Dow have noted: ‘keiretsu are deeply embedded in Japanese industrial organization and the Japanese business system. Therefore while it may be tempting to approach keiretsu from the framework of economic efficiency or effectiveness such an approach would not capture the multidimensional role of keiretsu.’ J McGuire and S Dow, ‘Japanese Keiretsu: Past, Present, Future’ (2009) 26 Asian Pac J Manag, 334 at 335. While there are major differences between them Japan’s keiretsu share similarities with the chaebol of South Korea. For more on the workings of chaebol see for example: S Chang and J Hong, ‘Economic Performance of Group Affiliated Companies in Korea: Intra-Group Resource Sharing and Internal Business Transactions’ (2000) 43(3) Academy of Management Journal, 429-448; T L Campbell III and P Y Keys, ‘Corporate Governance in South Korea: The Chaebol Experience’ (Oct 2002) 8(4) Journal of Corporate Finance, 373-391.

71. The Economist, ‘Japan’s Keiretsu Regrouping’, October 16th 2009. Interestingly, in a book entitled, ‘The Fable of the Keiretsu: Urban Legends of the Japanese Economy’ its authors Miwa and Ramseyer argue that keiretsu are in fact a myth and the fact that so much has been written based on its assumed existence is a ‘profoundly embarrassing intellectual disaster.’(37) This author however, contends that while it is a fair criticism to charge that scholars of keiretsu have overstated their case and drawn wrong conclusions, the argument that keiretsu simply do not exist has been convincingly debunked by Amhmadjian and Taggart Murphy. See: C L Ahmadjian, ‘Review: The Fable of the Keiretsu: Urban Legends of the Japanese Economy, and: Institutional Change in Japan’ (2008) 34(2) The Journal of Japanese Studies, 553; R Taggart Murphy, Review: The Fable of the Japanese Economy: Urban Legends of the Japanese Economy’ (2008) 68(2) Journal of Economic History, 632.


82. Ibid, at 334.


100. Compare with A Hindmoor, ‘Free Riding off Capitalism: Entrepreneurship and the Mondragon Experiment’ (1999) 29(1) British Journal of Political Science, 217, who argues that “Mondragon actually cannot tell us very much about the general feasibility of co-operatives. This is because Mondragon depends upon the achievements of the capitalist economy within which it is embedded.


105. W F Whyte and K K Whyte, Making Mondragon: the Growth and Dynamics of the Cooperative Complex, (Cornell University Press, New York, 1988) at at 32. Members who do not have a valid reason for missing an assembly meeting are denied the right to vote at the next meeting). The GA meets at least annually, meetings may also be called by the governing council of the cooperative (junta rectora) or petitioned by one-third of the members.


109. Auckland is able to pay significantly higher amounts and when we put NgaiTahu in a global economic scale (ie compared with Australia) its ability to compete on this plane is inherently limited.


111. S Kasmir, The Myth of Mondragon (State University of New York Press, New York, 1996). See also: S Arando, Monica Gags, D C Jones, and T Kato, ‘Efficiency in Employee-Owned Enterprises in Economic Case of Mondragon’, IZA Discussion Paper, May 16, 2011, which found that, “job satisfaction is actually lower for workers in cooperatives than for GESPA (non-cooperative) workers.” at 1. The authors speculate however, that this may be a reflection of the higher expectations held by Mondragon employees opposed to workers in capitalist firms.


113. Ibid, at 201.


119. Indeed as Woodruff has pointed out numerous states (including Peru led by de Soto himself) have made prior attempts at state titling but failed. In his book de Soto fails to adequately explain why this is. Furthermore, the notion that de soto’s work is overly simplistic is a criticism made by numerous academics that have regarded his work. See for example: R Thorp, ‘Review’ (May 1990) 22(2) Journal of Latin American Studies, 403.

In 2006 I published an article on muttonbirding in the Journal of Pacific History. If I wrote that article now it would be different in some places. That is a sign of my own development and the nature of academic scholarship. However, the article’s central focus would still prevail: the Tītī Islands, and the interrelated economic and cultural dividends that they enable, are virtually unique in New Zealand terms. Within Kāi Tahu especially, the situation stands out within the overall picture of the colonial encounter, which reduced 90% of tribal members to virtual or absolute landlessness by 1890. As we know all too well, the resultant poverty affects us still. Speculation as to why Kāi Tahu interests in the Tītī Islands and the tītī harvest were acknowledged by colonial society, and protected by settler government when other mahika kai where not, is largely beyond the purview of this paper. However, it is a timely reminder to note the unevenness of colonisation within as well as between iwi.

In many ways, the purpose of this paper is to revisit and expand on the conclusion to my aforementioned article. In it, I stated that

[Muttonbirding] provides a crucial reminder that ‘customary’ is not necessarily a synonym for non-commercial. In fact, far from commercial development eroding indigenous identity, the harvest shows that it can actually reinforce it. Thus, despite imperfections associated with [muttonbirding], the harvest…remains important to Kāi Tahu in its post-settlement era. It offers central tribal administration a model of regional control and management of a traditional resource that may assist in reinvigorating the use of other resources returned to the iwi as part of its claim settlement.

To be perfectly honest, the phrase “may assist” was a plea of sorts directed at our iwi, at both the institutional and hau-kaik levels. I wanted us to start thing about whether or not it was possible, and desirable, to emulate the positive aspects of muttonbirding with respect to natural resource assets acquired by the iwi as a result of settling Te Kerēme. This paper understands itself as part of an attempt to seriously begin that conversation. To that end, this paper firstly provides some historical context of the tītī harvest. It then outlines its mechanics, specifically, the way in which individuals and individual whānau actively engaged in the harvest bear the risk and reap the rewards of muttonbirding. It then discusses some of the strengths and weaknesses of this situation before contrasting them with the positives and negatives of the central management of our collectively owned assets by Te Rūnanga o Ngāi Tahu.

“In Tītī Tribalism”

In a 1980 discussion of proto-historical Kāi Tahu, Atholl Anderson noted that it was exceedingly rare, in world terms, for people with a hunting-fishing-gathering economy to sustain a stratified tribal society. And yet, Murihiku, which was a non-horticultural region until the early nineteenth century, hosted a strong group of regional chiefs. Anderson suggested that the reason for this lay in what he termed “Titi Tribalism”: a system of reciprocal exchange between Kāi Tahu communities based on control of the Tītī Islands from Ruapuke Island. Tītī tribalism is premised on the notion that this particular mahika kai was valuable beyond all others. It thus delivered significant socio-economic
dividends to those in control of it. The seasonal harvest of juvenile tītī was indeed valuable, largely because it produced a tradeable surplus. This was the result of being able to source, preserve, and transport tītī in large numbers. Hence why the harvest almost certainly expanded in the imperial era, which we might date as 1792-1848. Over this time, European technology in the form of whaleboats, steel cookware and knives, and later, salt, allowed more Tītī Islands to be visited and more birds to be harvested and transported, and in a safer manner moreover, than ever before.

Despite the romantic critics of western modernity on our tribal register—those who see themselves as defenders of pure indigenous knowledge—observations of muttonbirding in the early to mid nineteenth century show us that European contact, as challenging as it undoubtedly was for our ancestors, also brought new opportunities, which they seized. To paraphrase one anthropologist, our ancestors used new technology not to become more like Pākehā, but rather, more like themselves. That theme is also at the heart of this paper. Who are we now? And do we want to be?

TĪTĪ TRIBALISM INTO AND BEYOND THE TWENTIETH CENTURY

I think that the notion of tītī tribalism is helpful and relevant beyond the imperial encounter, throughout the colonial encounter, and right up to the present-day. In each of these epochs, those southern Kāi Tahu actively involved in the harvest were self-assured in ways that their northern whanauka and many North Island Māori were not. The retention of “land security”, in Tim Rowse’s words, by so-called muttonbirders, meant that they received both material reward and social status from their northern kin and Māori generally. Deborah Montgomerie suggested as much when she noted that where European settlement was gradual or limited within the Kāi Tahu takiwā, as on the West Coast and in the far south, Kāi Tahu were able to retain considerable economic and social autonomy into the twentieth century. “These communities”, she wrote, “tended to be cash poor, though oysters, fish and muttonbirds were big earners in the south”.

Descriptions of muttonbirding from at least the mid-nineteenth century show that while birding families and individuals cooperated in certain aspects of the harvest—sharing transportation to and from islands for instance—they nonetheless sourced their own supplies, maintained their own lodgings, and caught and sold their own birds. This is still the case. This is partly the nature of environment; an example of nature shaping culture. Put simply, scattered islands and autonomous manu (defined catching areas) necessarily atomise people. However, I think that a cultural driver is at work too because there are times when muttonbirders could work together but do not. For instance, they would benefit from acting as a bloc or some form of cooperative when purchasing the likes of paraffin wax and plastic buckets. And yet, while mutually supportive cliques exist at any one time, individuals and individual families essentially negotiate and navigate their own ways. While this can have its disadvantages, as we have seen, it is also one of the harvest’s great strengths. Technological innovation within muttonbirding I think, is a direct result of this “adhocracy”. Another positive aspect, conversely, is its ability to help preserve traditions. He mahi pōhā is the obvious but by no means only example of this.

How do we account for this “whānau first” preference? Is it simply the result of an inability to think or work beyond one’s own direct and individual interests; itself an aspect of the postcolonial Māori condition? Perhaps. However, we tend to correlate self-destructive behaviour in indigenous people with the nature and extent of their colonial experience. That being the case, we know that muttonbirding is one of the very few positive aspects of the colonial story for Kāi Tahu. Not only
did the government largely protect the Tītī Islands for those genealogically entitled to them, it paid compensation to Colac Bay muttonbirders left heavily indebted after a poor season in the late 1890s. Around the same time, James Carroll and the Premier, Richard Seddon, agreed in principle to using government ferries to transport birders to and from the islands and thus protect them from blackmail by southern boat-owners charging too high a passage. In addition, in 1908 the government sought to block the importation of Tasmanian muttonbirds and therefore protect the value of those harvested in the south. This really was a “special industry”.

We can agree therefore that from an indigenous standpoint, muttonbirding is the best case colonial scenario. It surely follows that much of the behaviour that we see in contemporary muttonbirders is the result of them and their forebears having had a relatively high degree of agency and choice. However, it would be wrong to assume that this was exclusively exercised to maintain traditional values—the “resistance to the other” reading of culture contact. Literacy (in both Māori and English) and Christianity were central features of Kāi Tahu life by the close of the nineteenth century. The particular understanding that southern Kāi Tahu had of Christianity was hugely influenced by the first foreign resident missionary in Foveaux Strait, the Rev. J. F. H. Wohlers, who lived and laboured in the area from 1844 until his death in 1885. This German Protestant is notable for at least two reasons. Firstly, his view that English literacy was key to Kāi Tahu survival as he envisioned it. And secondly, his belief that muttonbirding was compatible with Christian ideals. The latter helps us to understand why he advocated that Kāi Tahu should retain their exclusive rights to the Tītī Islands.

Wohlers’ endorsement of muttonbirding can be largely understood in the context of the “use it or lose” doctrine. Although Kāi Tahu families did not “improve” the islands as Wohlers and other European Christians understood the term, they nonetheless used them. This gave genealogically entitled Kāi Tahu the greatest moral right to them; they were not “wastelands”. Just as Wohlers saw value in aspects of pre-European lifeways, southern Kāi Tahu were similarly attracted to some of what he offered. An enduring part of this for many southern Kāi Tahu, particularly those actively involved with muttonbirding, is an inherent suspicion of bureaucracy, an attendant desire for local management of local affairs, and a commitment to the ideal of self-help. This is even true of the card-carrying atheists found amongst contemporary muttonbirders. They too bear the cultural imprint of Protestant Christianity.

“THE SAVINGS OF HIS LABOUR”

It would of course be wrong to attribute the retention of the Tītī Islands solely to Wohlers’ advocacy. He was only one actor in a cast of thousands. Colonial society at large had to share his assessment of the harvest as being a worthwhile activity. There is much evidence that it did. An extract from a supplement to The Southland Times in 1882 makes this quite clear. This held that

Before the advent of the European, he [the Māori] built great canoes with which he navigated the stormy coasts; he planted Kumara gardens…scaled the snowy mountains of the South Islands to obtain the much-coveted Poenamoo, and he braved the south-west gales reach the mutton bird islands. With these, and other enterprises, induced by the wants of peace or the calls of war; it is to be surmised that the results of his labour had to some extent been piled up into capital. True he had no gold…but he had ample media of exchange for all his claims of traffic in the greenstone or objects of barter in the mutton bird, the sweet potato, and the dried sharks fins. These stored were his capital, the savings of his labour, and with these he
purchased the wants of his every day life, or his luxuries—with these he commanded free or slave labour—with these he erected his forts of pahs or equipped his expeditions in war or adventure.

Without the faculty of saving labour—that is that power which restraint in the people allows by the possession, of capital in individuals; no movement of any kind were possible. Like the aborigine of Australia, the Maori would have been confined to the small tracts each tribe occupied. But not, so—his commerce and adventure ranged from the Three Kings to Ruapuke, or 1300 miles of latitude. Here then in New Zealand, even that life and stir in a people had vent…

By 1882 when this article was published though, chiefly authority had never been weaker. Social stratification and rituals of deference were not what they once were. As with most Māori, Kāi Tahu life in the south had been considerably democratized. Like other missionaries, this was one of Wohlers’ key hopes and aims. He looked forward to commoners being able better themselves and their immediate families, free of encumbrances by the highborn; likewise, he relished the prospect of the highborn acquiring their wealth through sweat rather than rank. In his view, all people should work, and do so consistently and honestly. Matched with sensible living (code for sobriety, cleanliness, and a healthy diet), they should in turn be materially rewarded for their discipline. Muttonbirding fitted very nicely with every aspect of this view. (The Whai Rawa savings scheme is arguably predicated on the same values that Wohlers’ espoused. I intend to explore this in my research some time in the near future.)

Interestingly, Wohlers’ advocacy for ongoing retention of the Tītī Islands was matched by his indifference as to the size and extent of Māori reserved land set aside on the mainland. This is evident in his exchanges with former New Zealand Company surveyor, and Humanitarian, Fredrick Tuckett in the context of the Murihiku Purchase in the early 1850s. Like the Crown agent responsible for the latter, Walter Mantell, Wohlers’ believed in a racially amalgamated New Zealand. He believed in the idea of benevolent colonization. Wohlers thus felt that Māori should be allowed, nay encouraged, to live, work, and intermarry with Europeans. Being endowed with large estates would, he felt, run counter to this. Not only would it risk Māori being physically separated from Pākehā, there was the prospect of Māori landowners not developing their land, or worse, using it in Māori ways, or worse again, leasing it to Pākehā and have them do the hard work required to improve it. Wohlers also subscribed very strongly to the binary logic of colonialism. Accordingly, he felt that in some point in the future, there would no longer be any Māori, thus no long-term need for Māori land. It was simply a temporary requirement. It is therefore to be wondered who he thought would seasonally occupy the Tītī Islands in the racially amalgamated future he imagined?

“PROFIT AND PASTIME”

Tā Tipene once commented that “bread and circuses” are required to build or at least maintain cohesiveness within Kāi Tahu Whānui. That phrase is of course political satire, whereas Tipene was making a serious point: tribal administrators need to provide tribal members with opportunities for employment and enjoyment. Muttonbirding, as I noted in my 2006 article, delivers both things. As a Bluff correspondent to the Otago Witness put it in 1908, “Mutton-birding combines profit with pastime”. Moreover, because this system of resource extraction is conducted by a web of nucleated families, it requires little or no involvement or investment from Te Rūnanga. Assuming that the first
rule of bureaucracy is not in fact self-preservation, then Te Rūnanga ought to be very interested in replicating this state of affairs where possibly, right?

Atholl Anderson devised a formula that suggests that the combined value of the tītī harvest in 1844 was £5,000 (more than the whole of Otago and Canterbury were sold for in the same decade). In terms of purchasing power, £5,000 would have bought 7,000 pigs or 125 whaleboats at the time. Alternatively, the catch represented 125 birds for every Kāi Tahu man, woman, and child. A much more certain picture of the harvest’s annual value can be gleaned from multiple newspaper articles in late nineteenth and early twentieth-century southern New Zealand newspapers. In 1897 for instance, when birds were selling for 8d per bird, a catch of 75,000 birds by 50 individuals spread across 17 families represented £937 10s. The same article that recorded this also noted that the birders worked extremely hard for this money. And yet, their sojourn was nonetheless described as being several “merry weeks”. In 1906, the same year that the “cruel hoax” in the form of the South Island Landless Natives Act was passed, another newspaper article on muttonbirding explained that:

> On one island worked by a large family, 10,000 birds may be fairly quoted as the result of this yearly raid on the haunts of the sea fowl.

> The commercial value is a substantial one. The Maoris can sell the birds for 4d each to agents who retail them at 6d. Reserving a certain number for his own use, the Maori whose family has secured 10,000 birds gets a good return for his inherited right to some small rocky islets beyond the white man’s dominion.

Similarly, in 1909, the catch from a cohort of birders was valued at £3,330, which represented about £22 10s for each participant. As we know, Māori freehold land was created with the view to it being individualised, converted to general freehold land, and alienated. In this way the smattering of small Native Reserves within the Kāi Tahu takiwā became even smaller. This was never able to happen with the Tītī Islands though (where proprietary interests equate to seasonal use rights). Thank goodness this was (and remains) the case: every muttonbirder has at least one ancestor who would have sold, mortgaged, drunk, or gambled away their interests in any Tītī Island if they could have. That being the case, my view that settlement assets held by the centre should be more proximate to tribal members does not constitute support for the idea that the assets should be disaggregated and distributed amongst tribal members—a death of 50,000 cuts, as it were. The centre needs to continue to exist; but not in the way that it currently does.

The Tītī Islands are sources of economic wealth for those who can and do make use of them. But in addition, they sustain important cultural traditions, including the tuakana-teina framework of intergenerational knowledge transfer. However, as I acknowledged in my 2006 article, there are also problems associated with the tītī harvest. (One might stick with the bread and circus and describe the presence of clowns.) One of the more worrying pieces of information to emerge out of the Kia Mau Te Tītī Mo Ake Tonu Atu (“Tītī Research Project”) hosted by the University of Otago is that a significant number of Tītī Islands are currently being harvested on at unsustainable levels. A much larger number again are being harvested at around their maximum levels of sustainable yield. The majority of the Tītī Islands, therefore, are probably being worked at or beyond sustainable limits. Whether or not the birders on these islands will adjust their behaviour remains to be seen. Right now, I think that the signs are not hopeful. Many muttonbirders have been willing participants
in the ecological destruction of our various fisheries over the last 25 years, most notably those connected with the commercial paua industry. Indeed some of these same people have actively turned their back on traditional practices on the islands that aided their wise use. For instance, some islands that hitherto had distinct manu, no longer do so. They have thus witnessed a shift from pockets of self-interested kaitiakitaka to a tragedy of the commons type race to the bottom.

Added into the mix is the introduction of new technology in the form of helicopters, diesel generators and electric powered plucking-machines. These are of course all perfectly legitimate developments when and where they simply make existing work easier. That is, these things have not increased bird tallies on some islands. However, on other islands, they have opened up new areas of previously un-harvested ground and allowed more birds to be taken from preexisting harvesting areas. Whether or not we are headed for stock collapse, and when or how that might play out, is unclear. It is equally unclear whether or not central tribal or government management would have prevented this situation from occurring. History suggests that, if anything, the latter would have hastened it.

Assuming that tītī numbers do however remain relatively stable, there are other challenges too. Muttonbirders with drug and alcohol addictions, for instance, do not leave them on the mainland during muttonbirding. Equally a propensity for domestic violence does not magically stay on the north side of Foveaux Strait. In fact the presence, or even promise, of a lump sum of money at the end of the season can amplify the former, meanwhile long hours of work during the season and/or a poor season can trigger the latter. Having said that, there are a surprising number of muttonbirders who take leave of the worst aspects of themselves and become vastly different people immediately before, during and after the season. They have a focus, drive, and positive outlook on life not evident in the other 10 months of their calendar year. In short, they have a sense of worth. It is wonderful to think that natural resources held by Te Rūnanga could similarly inspire these people to be their better selves outside of muttonbirding. Therefore, as valuable and instructive as muttonbirding most certainly still is, I acknowledge that it is not without its own flaws and challenges.

“LIFE APART”

Quite understandably, some muttonbirders describe the harvest and their time on the islands with great affection as the “life apart”. As the 1906 comment above put it, the islands are “beyond the white man’s dominion”. If that depiction is accepted, can TRoNT honestly be expected to enable people in our heartland communities to access mainland assets and generate wealth from them in ways similar to that done on the Tītī Islands? We can surely all agree that giving people in our papatipu settlements chances to leverage off tribally owned assets and create personal wealth is a good thing. For starters, it would be a partial bulwark against the continued exodus of our people to Australia or even more distant places such as Auckland. It would give those who remain in our hau-kaik a lived sense of belonging to the tribe; the institutional tribe would be a much more relevant part of their lives. However, does muttonbirding ultimately turn on its own facts? For instance, health and safety regulations and tax legislation is a bit of a grey area in relation to muttonbirding. There is a significant economic benefit in this ambiguity; long may it continue. On the mainland though, such matters would be much more black and white. Compliance costs might not yet be a part of the life apart, but they are very much a part of life. There would be an inverse correlation
between the absence of “red tape” relating to muttonbirding and its presence relating to the likes of weka-farming.

IN A PARALLEL UNIVERSE NOT FAR AWAY…

It seems to me that the greatest challenge with the idea of enabling our people to have more direct relationships with tribal assets is that TRoNT does not appear to be thinking about it any sustained manner. And when it episodically does, neither TRoNT nor its hau-kaik constituents seems to approach it creatively. TRoNT in particular seems particularly wedded to colonial binaries of analysis. It has an ironically firm commitment to the idea that customary is a synonym for non-commercial. The best way to justify this assertion is by way of counterfactual scenarios.

Firstly, let us pretend that the colonial state saw the Tītī Islands and the muttonbird harvest as being too valuable to leave in Māori hands. Imagine that it was instead ‘thrown open’ for commercial exploitation. As with inshore fishing, some of the people involved in this industry were inevitably Kāi Tahu, but many were not. The harvesters are almost all adult men, rather than family units, and they work for merchants rather than themselves. A few generations on and interests in the harvest, which is now in serious state of decline through severe overharvesting, have been aggregated and are held by only a few companies. Very few Kāi Tahu are shareholders in these companies, although many of the harvesters are. They work for little more than the minimum wage. Some of these commercial interests were bought by the Crown and transferred to Te Rūnanga o Ngāi Tahu as part of settling Te Kerēme. These harvesting interests are managed by Ngāi Tahu Seafood. This subsidiary entity in turn effectively leases them back to the companies that hitherto owned them; it is business as usual. People from Bluff with knowledge of tikanga as to how islands were traditionally looked after, knowledge that could help turnaround declining tītī numbers, are ignored by the tribal corporate. Simultaneously, Te Rūnanga invests time and money in erecting carved pou on the islands to mark their important place in the tribe’s history and its supposed new beginnings.

Now imagine that the islands were still taken from iwi members in the nineteenth century, but so they could be made into Nature Reserves. They have been the plaything of tertiary-educated Pākehā botanists working for the Wildlife Service and the Department of Conservation. As per its treaty settlement, Te Rūnanga has representation on the committee that manages these islands. However, these representatives are occupied with very little beyond researching manuscripts for old placenames and being present at ceremonies to mark the likes of saddleback transfers. However, much is being made in Te Karaka about plans to build accommodation on at least one island. It is felt that taking troubled Kāi Tahu youth there will lead them to reconnect with their culture and “turn their lives around”. Very occasionally, after a lengthy process, permits are granted to tribal members to harvest tītī. However, only 10 birds can be taken per person per season, and it is illegal to sell or trade them for commercial gain. Admittedly, Te Rūnanga would like its southern constituents to have a more direct and relevant relationship with the islands. It is the influence of conservation lobbyists such as the Royal Forest and Bird Society that prevents this. What is more, a large number of our own people subscribe to a noble savage view of our history and buy in to preservationist mantras. Saddest of all though, Te Rūnanga has given up fighting the conservation lobby and seems resigned to its fate. Part of the reason for this is that it does not ultimately know what it wants to do with the Tītī Islands, let alone how hard it is willing to fight for its position. Part
and parcel of both of these things is that the managers and governors of the institutional tribe are crippingly risk-averse. In the meantime the tribe simply holds the line and appoints people to make up numbers on committees.

Not only are each of the above two counterfactual situations perfectly feasible (they reflect our contemporary relationship with and TRoNT’s attitude towards various tribally-owned natural resources), they are both very different, and eminently less desirable, to how muttonbirding looks in reality.

**COME ON; IS THE CURRENT MODEL REALLY THAT BAD?**

The current Kāi Tahu model basically sees the tribal centre manage (and mismanage) assets according to “current best practice”, and distribute some of the profits after costs back to papatipu rūnaka and individual registered members via the likes of Whai Rawa and the Ngāi Tahu Fund. This model will have its fans on the ground; especially those whose ground is no longer within our takiwā. More Kāi Tahu now live in the North Island than the South Island. This will colour their view of tribal democracy and equality in that many of them would oppose initiatives that create opportunities in our papatipu heartland communities potentially at the expense of what they currently passively receive whilst living outside of them. I have little sympathy for those people. As with muttonbirding now, it is not that they have lost their Article Two treaty rights rights by living outside of Te Wai Pounamu, but is rather the case that if they want to derive benefit from their rights, they should live and work (if only seasonally) where their rights lay. People travel from Wellington, Auckland, and even from overseas, to go muttonbirding. In the counterfactual scenarios, they would not do this; there would be no need or incentive to do so. In the first of the scenarios though, they would in some small way receive an amount of wealth derived from a commercial harvest. I do need to say much about this tribal variant of welfare dependency; Tā Tipene has done that on multiple occasions. I will say this though, I do not think that the tribal centre has yet come to terms with how precious most of our heartland communities are to the tribe, and equally, how precarious a position they are in, and in turn, how much power the centre has in ensuring their ongoing survival.

**A NGĀI TAHU NEW DEAL?**

A recent article in the New Zealand Herald noted that, “Autonomy can be frightening. It is possible Maori have been waiting too long.” Autonomy is indeed frightening. Kāi Tahu, like other Māori, have indeed waited a long time to be in a position where we can grow values and dreams into what one scholar refers to “futuribles”—“futures which do not simply happen of themselves, but can be made to happen…within reasonable horizons of expectation.” Futuribles require us to think critically about what intellectual posture we should adopt in confronting the future, and our capacity for changing our ideas about available futures. Those who do not think coherently about the future leave it to unrealistic, irrational prophets.

Tā Tipene has speculated that the bete noire of the business world—related party transactions—hold great potential for generating interdependent economic and cultural revitalisation in our heartland communities. It is my hope that the tribe and/or suitably qualified research institutions explore the contours of this idea, and test it, and others like it. And I hope that this paper has gone some way towards justifying why such thinking exercises are necessary. If not, well, at least I can still slink away with my family to the Tītī Island, for which I am very grateful.
NGĀI TAHU RESEARCH CENTRE
TRIBAL ECONOMIES?
TRIBAL ECONOMIES?

Associate Professor Te Maire Tau Director Ngāi Tahu Research Centre

What is a tribal corporation, what does it look like and how does it benefit tribal members? I remember asking this question in the mid 1990s, when it was clear that Ngāi Tahu — the largest tribal group in the South Island of New Zealand — was about to settle with the Crown one of the largest land claims in the South Island. The actual cash settlement was NZ$170 million — and that, plus the transfer of capital assets, ensured Ngāi Tahu received a major capital and cash settlement that made it the largest private land owner in the South Island, as well as one of New Zealand’s leading corporations. The challenge before the tribe — which consisted of small rural village communities that, in many instances, managed themselves informally, without even a bank account let alone a legal identity — was how to successfully manage this new wealth without mimicking western corporate behaviour. Embedded into this was the acknowledgement that tribal values needed to be retained.

The background to these events reaches back to the nineteenth century — to 1840 — when Ngāi Tahu leaders, along with other tribal groups, signed the Treaty of Waitangi — a pact between local iwi (tribe) and hapu (sub-tribe) and the British Empire. The ‘Treaty’ as it became known in New Zealand was never legislated in the United Kingdom, although it was seen as a formal agreement amongst Māori. Under the Treaty, Māori recognized the Crown as possessing sovereignty and — in return for this concession — the tribes (iwi and hapu) were guaranteed their ‘tino-rangatiratanga’ (chieftainship/ownership) over the fisheries, estates, properties and all other ‘taonga’ (prized possessions). Included in these conditions was the principle that if land were to be sold by Māori to the new settlers, the Crown would have the right of ‘pre-emption’, wherein it was the sole purchaser (Kawharu 1989).

In the South Island huge tracts of land were purchased by contract. The land purchases started with the Otakou purchase in 1844, where the Crown bought 400,000 acres from Ngāi Tahu for £2400. The last purchase, in 1863, was when Rakiu (Stewart Island) was bought for £6000 (Evison 1988). Of these, the largest (in 1848) was for 20,000,000 acres of land — from Canterbury down to Otakou — for £2,000. As most readers of British imperial history would know, the contracts of purchase were not honoured and, by the end of the century, the native inhabitants had been reduced to a landless people, living in extreme poverty (Evison 1988). Moreover, thirty-seven years after the signing of the Treaty of Waitangi, the judicial system had formally reached the conclusion that it was a ‘simple nullity in New Zealand’, leaving Māori with no case to argue before the Courts. Consequently, the nineteenth century was — for Māori — a century where the British Empire oversaw the settlement of New Zealand, with a white migrant population bent upon removing from Māori all their capital assets and property rights. Later, for much of the twentieth century, Māori lived and worked as a brown proletariat, bereft of capital assets and overseen by a government intent on assimilating them into a derivative of the British Empire. By the 1980s, not only had tribal groups been stripped of their assets, but the Crown had also spent an entire century removing the basic pillars of the way in which they managed themselves socially by undermining the foundations of tribal structures (Banner 2000).

Today, Māori talk casually about their tribal affiliations and how their iwi manage their tribal assets. Yet this was not the case before the 1990s, because then Māori could not answer a basic question
fundamental to all groups wishing to collectively share a common vision and future — that is, Who am I? While tribal members and Māori could answer this question in a customary manner, the legal fact was tribal bodies did not and were not allowed to exist in any legal sense. As Hernando de Soto has argued so well, legal identity is critical to asset ownership (de Soto 2000).

Before its settlement with the Crown in 1998 Ngāi Tahu was the first tribal corporation in New Zealand, as acknowledged under the Te Runanga o Ngāi Tahu Act 1996. This Act was the first in our nation’s history that actually recognized ‘iwi’ or tribal groups as legitimate political bodies. Before this Act, tribal bodies were not recognized in New Zealand law. The Act allowed Ngāi Tahu to become a corporation and, as I have suggested, the movement towards the negotiation of a settlement meant that Ngāi Tahu would be a corporation with serious financial leverage in its community.

Yet for most members of the tribe at that time, the idea of a corporation and its meaning and effect upon us was barely imaginable. At the time most tribal members were uneducated and poor — and many still are. The majority of our leaders who now sit as directors of the Ngāi Tahu Trust Board would have left High School with no qualifications, and few were financially secure. In fact most had worked as labourers or small farmers, and had faced rounds of redundancy and upskilling in the era of New Zealand liberal economic reform of the 1980s and early 1990s, popularly known as Rogernomics and Ruthanasia (after former Ministers of Finance Roger Douglas and Ruth Richardson) (Kelsey 1990, Hill 2009). None had any past experience as directors upon a board of any note.

During the period in which tribal leaders were negotiating the Ngāi Tahu Claim, a number of my generation, generally known now as Generation X (post 1964-1986) adopted supportive roles in managing the negotiations or by acting as specialist advisors, which naturally meant wide ranging discussions were held on the nature of the settlement we were to advance. The basis for the Ngāi Tahu negotiations centred on the findings of the Waitangi Tribunal, a body established by the Crown to investigate grievances by Māori who believed the Crown had ignored the promises made in the Treaty of Waitangi (Sorrenson in Kawharu 1989: 158-179). Besides finding that Ngāi Tahu had, in fact, been wrongfully dispossessed of their land and resources, the Tribunal also made a number of findings on the social and cultural status of the tribe. The Tribunal essentially supported the Ngāi Tahu grievance that the Crown had promised schools and hospitals upon Ngāi Tahu reserves. That is, as Ngāi Tahu was to cede the bulk of the land to the Crown, tribal members would be relocated to reservations, which would be resourced with schools and hospitals. The Tribunal’s findings read:

It remains for us to state our conclusions on Ngāi Tahu’s grievance, that the Crown failed adequately to fulfill Mantell’s promises as to schools and hospitals. We have found that these promises were made by Mantell to induce Ngāi Tahu to part with their land in the Kemp and Murihiku purchases. We have further found that, given the grave dissatisfaction of Ngāi Tahu chiefs both with the price and the totally inadequate extent of the reserves proposed or insisted on by Mantell, that the prospect of the provision of schools, hospitals and other government assistance constituted material inducements to Ngāi Tahu to sell their lands, many millions of acres in extent. (Waitangi Tribunal 1991: 19.5.1).

The Walter Mantell referred to in the Tribunal’s findings was a Crown agent who, in 1848, took on the office of Commissioner for Extinguishing Native Titles. As the name suggests, Mantell’s duty was to extinguish all ‘native title’ and to allocate to tribal members lands that were identified as ‘Crown
Grants’. What this meant was that the land purchased was presumed to have had all ‘customary rights’ removed, allowing it to then be reallocated to tribal members as land granted to them from the Crown, free of previous customary traditions. As his duty was to allocate land, Mantell was required to negotiate and minimize the contractual and oral promises made to Ngāi Tahu by the Crown agents at the time of the purchases. These negotiations were to be anything but reasonable, as Mantell recorded in Greek the instructions from his superior — Lieutenant-Governor Eyre — who told him that if there were any disagreements with Ngāi Tahu then he should, ‘Let them leave it. I must kari maters with a hi hand’ (Evison 1997: 217). Mantell was given free rein to negotiate as he pleased and — as Ngāi Tahu claimed and the Tribunal found — he had promised tribal communities schools and hospitals on their reserves, without any intention of delivering upon the plan.

Schools were certainly set aside within villages, but only after Māori provided land and, in most cases, contributed the majority of the financial aid for the school buildings. Medical facilities, such as hospitals or clinics, were simply not provided.

The question for our negotiation team was to ask how the Waitangi Tribunal’s findings were to be articulated in a meaningful way for the present generation? How could these findings have any meaning for tribal elders who were likely to die at an age well below the national average, or for families who were struggling to meet health costs for young children when the government had removed medical subsidies for infants? It is timely to remember that — except for New Zealand — in the mid-1990s the developed world was enjoying a financial boom (Goldfinch and Malpass 2007).

And what about education? Māori university graduates were few — and this was the least of our problems. Young Māori frequently left school with no qualifications, just as their elders had done before them. On top of the failure of the Crown to meet its obligations to educate our people, the mono-cultural education system actively undermined the cultural beliefs, knowledge systems and language of Māori — so that by the time Māori left the education system in early adulthood, they were unable to function in either the western-dominated world or in any traditional Māori world of their ancestors (Waitangi Tribunal 1999).

The outcome for tribal leadership was that, in the main, our tribal leaders were unable to advance their people’s grievances in any effective manner simply because most were illiterate, which left the few literate members with a university education a larger load to carry.

The issue facing the Ngāi Tahu tribe and its negotiators was, simply, how could the Waitangi Tribunal’s findings on schools and hospitals be resolved in a meaningful way — by the then and successive governments — when the economy had been in decline since the 1970s? I had asked these questions of our tribal leaders, who were participating in the Ngāi Tahu negotiations. At this stage, Ngāi Tahu’s tribal leaders were Tipene O’Regan and Henare Rakihia Tau (Stokes 1980: 69, Ngāi Tahu Māori Trust Board 1993). ¹ Both had attended university, with Tipene O’Regan always maintaining an interest in the academic community. Tau had trained as an accountant, although he left university before graduating. Both had eventually become Upoko (Head Leaders) in their communities. In the 1980s, these two leaders focused on much of the hard grind of articulating on paper formal tribal policy before the Crown and local communities, within the South Island and in Wellington.
In response to these and similar questions, a series of initial solutions were proposed. The Crown could subsidize Ngāi Tahu health care and education (Ngāi Tahu Māori Trust Board 1993). For example, the Crown could provide a number of medical centres within villages, and tribal colleges could be established in Christchurch and Dunedin. However, for a range of reasons, these ideas were set aside. The Crown could not be seen to be privileging one ethnic group over and above another, and tribal members no longer lived in their ancestral villages as new Crown land policies had prohibited it.

As these ideas were debated, the initial response — and one that was to become the orthodox response — was that, with the settlement, Ngāi Tahu could purchase its own hospitals and care for its own elderly. The argument placed before tribal members was that with the expected settlement of NZ$170 million and the transfer of capital assets, the tribal corporation would generate enough profit to manage the issues of health and education among tribal members (Te Runanga o Ngāi Tahu 1997). This argument was essentially a classic neo-liberal economic response best captured as the ‘trickle-down’ theory, where social and cultural problems were dependent upon the capacity of the state to generate enough wealth to resolve social concerns. In this case, however, the tribe was to function as an additional welfare state. This then is the context that surrounded the idea of a tribal corporation — or, more properly, this is the context that led Ngāi Tahu towards the adoption of a corporate model as the flagship for its development and move to modernity.

By the late 1980s and early 1990s, the relationship of corporations and tribal development was well and truly subject to debate within rural communities, amongst urban Māori and, at the national level, in parliament (Hill 2009). The debate at the time was lively, fierce and confrontational. What was clear among tribal leaders was that if the tribe was to function in the future, the traditional structures that operated within small village communities would not be adequate to the task of managing the new assets and cash the Crown was about to transfer.

It has now been well over a decade since the Ngāi Tahu claim was settled in 1998. Now, the question that needs to be asked is not so much concerned with whether the approach was right or wrong, but what were the fundamental strengths and weaknesses of the proposed model and has the classic neo-liberal economic approach served the tribe as well as it could.

IWI AND TRIBAL CORPORATIONS

The most surprising aspect of the Māori economy is that, until 1996, tribes or iwi simply did not exist in legislation. In fact, the early New Zealand settler government had actively set about stamping out tribal entities by legislation. Yet in the face of this quite significant political hurdle that denied any legal status to tribal bodies, Māori persisted in their tribal affiliations. This is itself instructive, because this chapter essentially argues that Māori and their traditional tribal values are intrinsic to the manner in which they organize themselves. The primary institution used by the settler government to undermine tribal values and social cohesion was the Native Land Court, which was established in 1862 under the Native Lands Act. As Stuart Banner has argued in a series of articles examining the decapitalization of Māori in the nineteenth century, the Native Land Court was established for the systematic transfer of land from Māori to the British Empire. In drawing to a conclusion, Banner wrote:

By the end of the century, the Māori no longer had most of their land, and they no longer had their system of property either. One way of organizing rights in land had been superseded by
another. The British, with the military and technological superiority to establish a government and pronounce the rules by which land would be owned and transferred, had been able to force Māori to reconceptualize land as composed of geographic spaces rather than as use rights. The colonization of land, the physical substance, could not have proceeded without the simultaneous colonization of property, the mental structure for organizing rights to land. (Banner 1999).

While Banner may have over-estimated the capacity of the settlers to force Māori to reconceptualize their approach to land, he was right in the sense that the settlers had introduced a new system of organizing the land, which saw the Native Land Court and individual title gain ascendancy over the traditional mechanisms of customary rights regulated by whanau (extended family), hapu and iwi relationships. The core idea in not recognizing tribal entities in statute was essentially based on the premise that tribal entities acted as the collective body that held authority over the land. In the 1840s-1850s, it was becoming clear that tribal leaders were becoming more and more reluctant to sell land and this posed a problem for the settler government — whose interest was, of course, centred on land acquisition. As the nineteenth-century New Zealand politician, Henry Sewell, explained:

The object of the Native Land Act [1865] was twofold: to bring the great bulk of the lands of the Northern Island which belonged to the natives … within the reach of colonization. The other great object was, the detribalization of the natives-to destroy if possible, the principle of communism which ran through the whole of their institutions, upon which their social system was based, and which stood as a barrier in the way of all attempts to amalgamate the Native race into our own social and political system. It was hoped that by the individualization of titles to land, giving them the same individual ownership that we possess ourselves … their social status would become assimilated to our own. (New Zealand Parliamentary Debates 1877: 254)

In order to destroy tribal entities, land was individualized in 1865 — and from this period onwards iwi were reduced to ‘shadow’ organizations, with the Crown always attempting to provide an alternative mechanism to the tribal entity.

Yet there is also good reason to believe the move towards de-tribalizing Māori was also due to the nature of the tribal economy, which definitely had advantages over the individualized nature of the settler economy. Lady Mary Ann Martin, the wife of Sir William Martin, the first Chief Justice of New Zealand, wrote in 1847:

Everywhere large tracts of wheat were grown, and the natives contributed largely towards the erection of mills. Many bought cows, and friends of ours travelling through the country a year or two later were pleasantly surprised to find home-baked bread and fresh milk offered to them in the villages, instead of potatoes only. This general stir throughout the country made us acquainted with the tribes that lived in the interior, near to the hot springs and lake district on the East Coast. The soil was not favourable for wheat-growing, but they brought scraped flax and Indian corn to Auckland. To do this they had to buy cutters or schooners. There were one or two good harbours near. It was wonderful to see the amount of patience and self-denial exercised by these wild people. No one man could obtain money enough to buy a vessel. It must be a tribal purchase, and become tribal property. Whole villages — men,
women, and children — worked for months, scraping flax, till the money was raised. (Martin 1847: 54)

Similar observations can be found throughout the nineteenth century literature. The underlying theme that occurs throughout all records is the collective nature of labour, property and tribal assets or capital, which cuts across the Hobbesian tradition of self-interest as the core motivation for economic activity. Likewise, in 1852, an article in the *Daily Southern Cross* newspaper, made a number of insightful observations about the economy of the Auckland market:

The provision trade, of which we now treat, may be emphatically termed native … Of the live and dead stock, brought into the Auckland market, they convey no idea; nor could any one, except those familiar with the patient, plodding, money-loving habits of the native tribes, form the remotest conjecture of the immense quantities of pigs, poultry, potatoes, onions, turnips, carrots, maize, wheat, and other articles of their own producing, which are back and canoe borne from distant places into Auckland; nor could a stranger conceive the large amount of coin which these indefatigable native husbandmen expend in the purchase of vessels, agricultural implements, horses, clothing, and the other appliances of necessity, convenience, or comfort, which a rapidly increasing civilization has taught them to appreciate, and a persevering industry has enabled them to acquire. (*Daily Southern Cross* 1852: 3)

By the middle of the nineteenth century, Māori had a solid grasp of how the market worked and where land featured in this economy. While the Treaty gave the Crown the right of pre-emption or the right to be sole purchaser of Māori land, which it could then on-sell at a much higher price to Pakeha (British) settlers, Māori also saw that they too could control the market for selling land. Māori could collectively decide not to sell their land — and this is the option they chose in Taranaki. As the Waitangi Tribunal shows in its Taranaki Report, Māori collectively decided against selling land to settlers (Waitangi Tribunal 1996). Both in terms of market and land purchasing, Māori acted as a collective. And — whether it be conducting land transactions or trading with the settler community — more often than not, that collective was the hapu within the iwi.

By taking these observations into account, and acknowledging the fact that by the 1860s tribal authorities wanted to restrict the unregulated sale of land to the Crown and Pakeha settlers, the 1865 Native Land Act — which sought to detribalize the natives — may be more clearly understood. Detribalizing the natives was a way of undermining the collective forum in which Māori operated to organize and manage their economic and political influence. The 1865 Native Land Act is, therefore, the historic reference point for iwi corporations today and in particular the basis for which the 1996 Te Runanga o Ngāi Tahu Act is its intellectual counterpoint. The 1865 Native Land Act sought to undermine tribal entities, whereas the 1996 Te Runanga o Ngāi Tahu Act re-established the tribal group as the principal entity for managing Māori capital assets and consequently heralded the evolving tribal economies of New Zealand in the twenty-first century.

Between 1865 and 1996 tribal groups had no legal standing in New Zealand and could not, therefore, function as corporate entities. What Māori had during this era were a series of Crown-created agencies that attempted to represent Māori interests, while ultimate responsibility rested with the Crown (Hill 2004: 247-265, 2009: 247-274). The best example of this was the plethora of Trust Boards that emerged with the Labour government in the 1930s. The Trust Boards were typical micro-management Crown creations, where board members were accountable to the
Minister of Māori Affairs for the expenditure of their own monies — to the degree that, by the 1980s, Ministerial permission was still required for any expenditure over $200. By the 1980s, however, Māori had tired of these organizations and it was quite clear that — regardless of Crown legislation — Māori were still fundamentally tribal. The tribal nature of Māori was obvious when they needed to mobilize on a national level — whether it be with the Māori Battalion of World War II, or to help organize the Te Māori exhibition of the 1980s. What, then, forced the Crown to change a well-established policy of not dealing with iwi, to recognizing the collective nature of iwi and establishing iwi as corporate bodies under New Zealand law?

Historians have attempted to explain this change by referring to a combination of factors, none of which seem convincing enough to wholly explain the huge transfer of assets from Crown to Māori. Over the years, many Māori had slowly been moving to large towns and cities and, by the 1980s, 80 per cent of the Māori population was urban. Previously, Māori had largely dominated rural sectors, and even then they were not politically dominant because their vote was limited to the traditional four Māori seats. Furthermore, their political capacity was always in question, simply because the general electorate for the settler population was numerically overwhelming. The settler government created the Māori electoral ‘seats’ in 1868 to provide dedicated political representation for Māori. This system lasted until 1996, when another seat was added, and then an additional two Māori seats were created for the 2008 general election (Hill 2009). With the shift of younger Māori into urban centres, Māori political influence was no longer limited to the electoral seats set aside for the Māori vote. In the 1970s and 1980s, they were influencing the wider political scene by voting in the general urban electorates, particularly in Auckland where most of the Māori population was to be found. Consequently, Māori became more politically active. The 1975 Land March was heavily influenced by Martin Luther King’s civil rights march on Washington in 1963 and Ghandi’s 1930 Salt march. Yet none of these factors seem enough to explain why there was such a massive transfer of assets from the Crown to Māori after the Ngāi Tahu settlement. Urbanization and the Māori protest movement were easily handled by the governments of the day (Kelsey in Belgrave et al. 2005: 81-104).

The most significant factor that led to the growth of the Māori economy and tribal corporations was the economic change that fundamentally transformed New Zealand society — Rogernomics. Rogernomics takes its name from Roger Douglas — the fourth Labour government’s Minister of Finance (1984-1987) — who deregulated the New Zealand economy in the same way the United States had been deregulated in the Reagan era. Rogernomics was New Zealand’s variation on the neo-liberal economic policies that stemmed from the ideas of Frederick Hayek and Milton Friedman. In quite simple terms, at the time New Zealand’s economic situation was dire. The government’s response was to place critical state assets into State Corporations that would act with the intention of producing a profit for the government, the shareholder (Ward 1999, Hill 2009). This was implemented by means of the 1986 State Owned Enterprises Act.

However, the stumbling point for the government’s plan were the claims to the principal capital assets, land, fisheries and minerals made by Māori under the Treaty of Waitangi. Māori won a substantial victory in 1986 when the Court of Appeal sought enforcement of Section 9 of the State Owned Enterprises Act which declared: ‘Nothing in this Act shall permit the Crown to act in a manner that is inconsistent with the principles of the Treaty of Waitangi’. The Court of Appeal established several principles that affect us today. What is often neglected in analysis of New
Zealand’s financial crisis of the 1980s is the fact that the Crown’s capacity to sell its assets was impeded until claims by Māori were to be resolved by the Waitangi Tribunal. The Waitangi Tribunal had been established in 1975 under the 1975 Treaty of Waitangi Act. The Tribunal was given the powers to investigate breaches of the Treaty of Waitangi from 1975 onwards. While the Treaty of Waitangi Act was significant in a symbolic sense, the political and legal capacity of the Tribunal was limited simply because it only had powers to make recommendations to government and it could only investigate ‘alleged’ Treaty breaches post-1975. Māori were quick to criticize the terms of the Act, arguing that by 1975 most of the land had already been taken because the Treaty of Waitangi had never been honoured (Walker 1990: 253-255). Māori hopes for a more just application of the Treaty were further enhanced in 1985, when the fourth Labour government passed new legislation giving the Tribunal the retrospective powers to investigate breaches of the Treaty of Waitangi dating back to 1840, when it was signed.

This legislation was a significant step, although the Tribunal still only had powers of recommendation. However, in 1987 a Court of Appeal decision included the opinion of Chief Justice Cooke that the Crown had a duty to remedy past breaches of the Treaty — and that the Tribunal’s recommendations should be acted upon unless there were very exceptional circumstances:

In the sense that if the Waitangi Tribunal finds merit in a claim and recommends redress, the Crown should grant at least some form of redress, unless there are grounds justifying a reasonable Treaty partner in withholding it — which would be only in very special circumstances, if ever. (New Zealand Law Reports 1987, pp, 664-665)

While the Tribunal still only had the powers to recommend, this decision certainly put weight behind its recommendations. With the political and judicial powers leaning towards Māori, the Crown’s financial base was less than secure. The Crown needed revenue. Māori were a significant block. The easiest solution was to negotiate a transfer of assets from the Crown to Māori, leaving the Crown with a significant revenue stream to cover its debt. We need to be quite clear. The Crown was cash strapped. Regardless of claims of goodwill between the races, the Māori economy now emerging rests on a combination of neo-liberal economic policy and litigation through the judicial system. Political goodwill from the Crown was due to its own economic mismanagement, moral failings and judicial losses (Richards 2010: 298-299).6

The problem, however, was that Māori were simply not prepared in any structural sense to receive the expected assets. Now we take the idea of a tribal corporation for granted, but in the 1980s and early 1990s, no Ngāi Tahu village council would have held cash that amounted to more than $10,000. While the Crown prepared itself to devolve assets to Māori, a range of non-tribal entities arose to claim them — among them the Churches, urban Māori groups, the Māori Women’s Welfare League and even national gang organizations, such as Black Power. That iwi would receive these assets was by no means a certainty (Hill 2009: 221-246).

The possibility of a corporation being a representative structure for our tribe seemed obvious enough. After all, corporations were legal personalities, and there was no reason why a tribe called Ngāi Tahu could not also be a legal personality. Consequently in 1996, Ngāi Tahu became the first tribe in New Zealand to actually exist in statute. The legislation was standard in the sense that Section 6 of the Act declared Te Runanga o Ngāi Tahu has ‘perpetual succession and a common seal, with power to purchase, accept, hold, transfer and lease property, and to sue and be sued, and
having all the rights, powers, and privileges of a natural person’ (s.6, Te Runanga o Ngāi Tahu Act 1996).

Ngāi Tahu was now structurally sound enough to hold, purchase, transfer and lease property as a legally recognized entity. In 1998, Te Runanga o Ngāi Tahu received from the Crown a NZ$170 million cash settlement and capital assets, such as land and forests, which were valued at approximately NZ$270 million.

However, while Ngāi Tahu had created a corporate body that could hold its assets, it was less clear how it would manage and grow these assets. To this end, Te Runanga o Ngāi Tahu’s 2009 Charter made the following declaration, which separates Ngāi Tahu from a standard corporation. The Charter requires Te Runanga o Ngāi Tahu directors to adhere to two principles:

(i) to use prudently the assets allocated to it and to prudently administer them and its liabilities by operating profitable and efficient businesses; and

(ii) to pursue in an efficient manner such social and cultural development and natural environment objectives as may from time to time be approved by Te Rūnanga in its capacity as Trustee in so far as the social and cultural development and natural environment objectives so approved fall within the charitable objects of the Charitable Trust (Te Runanga o Ngāi Tahu 2009).

Our original model for development completely reflected the trickle-down theory that was evident in the 1980s. However, the Charter clearly embeds corporate social responsibility into the business and economic management practices of the tribe as a corporation. Structurally Ngāi Tahu separated itself into two sections that would sit under the tribal council.

The underlying principle was that the holding corporation was to hold and manage our assets and the development corporation would meet the second objective of social and cultural development. The holding corporation was essentially the commercial part of the company that created, managed and produced a profit, while the development corporation operated with the intention of meeting the social and cultural needs of tribal members. The revenue supply would be driven by Ngāi Tahu holdings and the dividend would then be delivered to the development corporation. Trickle-down theory in a nutshell. Our needs for education, health and cultural development would be defined and targeted within the framework of Rogernomics.

What we found, however, is that this was a fundamental mistake — and one we have not fully resolved — because the basic premise of Ngāi Tahu’s corporate structure simply reflected a situation all New Zealanders would recognize. New Zealanders — since the first Labour government of 1935 — are essentially committed to a welfare state and this ideal was reflected in our distribution model. In the main, economic policy in welfare states is primarily about welfare distribution as opposed to wealth generation. The Ngāi Tahu development corporation soon found it was faced with the politics of distribution and the questions that go with it:

- Who receives a distribution — the young for education, or the elderly for their health?
- Why focus on tertiary education when so many of our young fail in secondary schools?
- Why not simply distribute the annual dividend equally among all members of the tribe, or should the distribution be allocated only to those who live within their tribal domain? (After all, why should a tribal member whose family has lived in England for five generations receive a dividend?)
From 1998-2005 the tribe wrestled with these questions in a largely ad hoc manner and without any real theoretical base, other than one where social and cultural development was defined by neo-liberal economic theory. However, by 2004 the tribe had developed into a top-heavy corporation — in which we soon found ourselves spending five dollars to distribute one dollar out to tribal members (and, in the main, that dollar primarily came out in the form of a quarterly tribal magazine). It was clear urgent action was required.

In 2005, Te Runanga o Ngāi Tahu made the decision to remove the development corporation and replace it with a groundbreaking initiative called Whai Rawa (Te Runanga o Ngāi Tahu 2006: 18-19). Whai Rawa was essentially based on the economic ideas of Hernando de Soto, where he argued that capitalism essentially rests on capital (de Soto 2000). Unless tribal members have capital they will never be able to generate wealth. The basic premise was that Ngāi Tahu would set up bank accounts for all members of the tribe and every year an annual distribution of approximately NZ$100 would be allocated to their account. If tribal members managed to save $100, the tribe would allocate the same amount. On that basis each member could save $300 per annum. The key point here is that the Whai Rawa savings plan was for all tribal members whose savings added to the available interest for distribution. Withdrawals from this account could only be made by tribal members for three reasons, which fitted the Whai Rawa goal of building three capital assets among whanau (family) and individual tribal members. The three important areas of capital assets were defined as knowledge capital (education), social and business capital and personal capital (superannuation and a retirement plan). It was expected that by the age of 18 years, a tribal member would have saved enough to pay $12,000 towards their tertiary education. This was their knowledge capital. By the age of 35 years, a tribal member would have enough for a $28,000 deposit on a house, and by retirement they would have saved approximately $193,000. The direct link with de Soto was the deposit for a house — because de Soto learnt that in the Western world, small businesses are built on families mortgaging their homes. Although it was never explicitly said, our view was that a tribal member could sell their house to finance their company. The Whai Rawa initiative was the first step Ngāi Tahu took towards building individual capital assets among its members. It was the first step we took towards the idea of developing a distinct modern tribal economy. New Zealanders will be aware that this was a forerunner to the KiwiSaver scheme the Labour government introduced in 2007.

In developing a tribal saving scheme that built individual capital from a collective base, there was also an opportunity to develop similar schemes amongst other tribal groups in New Zealand. Māori generally have more than one tribal affiliation, so it is not unreasonable to expect a member affiliated to other similar tribal schemes to have three similar but separate accounts — thereby creating substantial core capital among Māori that is not fragmented by the politics of distribution or annual dividends. This has yet to occur.

CONCLUSION

So where does this leave Ngāi Tahu for the twenty-first century? Ngāi Tahu is a reflection of its tribal heritage and values, as much as it is a reflection of the neo-liberal economic theory of the 1980s. At a superficial level it is a tribal entity that functions to service tribal members. In that sense it is an indigenous corporation. Yet at a deeper level it is a modern adaptation of the settler economy, with Pakeha workers dominating the holding corporation. In 2006, the staff ratio for the holding
corporation was less than 20 per cent Ngāi Tahu. It is, of course, impossible for the descendants of the settlers to ever represent tribal values and beliefs. Rather than reflecting tribal development, it could be argued that the corporate model has been a victory for colonial hegemony. Te Runanga o Ngāi Tahu's commercial origins are certainly western, but its political origins are, very much, Māori. The irony is, of course, that the wealth — from which all present profits stem — can be traced back to tribal values and beliefs, which of course underpinned the Ngāi Tahu claim and search for justice. Equally, however, the huge financial and capital transfer of wealth could only have occurred with the changes in the global economy of the 1980s.

The challenge is whether similar tribal corporations can indigenize corporation models to fully benefit collective tribal communities, rather than individual staff. What we know from the Ngāi Tahu story is that Whai Rawa offers a glimpse into an alternative economic framework that has yet to be fully realized.

REFERENCES


New Zealand Parliamentary Debates. 1877. 24, 254.


1. At the time, Tipene O'Regan was chair of the Ngāi Tahu Māori Trust Board and Henare Rakihia Tau was deputy chair, as well as being claimant before the Waitangi Tribunal for the Ngāi Tahu claim. For a commentary on issues of leadership see Ngāi Tahu Māori Trust Board 1993 and Stokes 1980.

2. The emergence of these issues as topics of debate among Ngāi Tahu were flagged in the Board’s 1993 Annual Report (Ngāi Tahu Māori Trust Board 1993).

3. The Waitangi Tribunal points out there was no cartel of Māori that acted against land selling and the idea of such a cartel was a figment of the settler — Crown imagination. However, the Tribunal does note there was a growing policy against land sales amongst Māori (Waitangi Tribunal 1996).

4. The requirement to gain Ministerial approval for any expenditure over $200 was eventually removed in the 1980s (New Zealand Parliamentary Debates 1996).

5. Academic and writer Dr Ranginui Walker saw the strengthening of kaupapa Māori as a result of activism from the 1970s and 1980s (Walker 1990). For more discussion on this topic, see also Belgrave et al. 2005.

6. The political background to this is outlined by Raymond Richards in his biography of former New Zealand politician and Prime Minister Geoffrey Palmer (Richards 2010: 298-299). Richards explains how — after the State-Owned Enterprises decision by the Court of Appeal in 1987 — the Labour Government passed the Treaty of Waitangi (State Enterprises) Act 1988, which permitted Crown assets to be sold but then obliged the Crown to purchase the assets back and return them to Māori if ordered to do so by the Waitangi Tribunal.