

# OUR COUNTRY: OUR CHOICES

*He tumanako mot e tau rua mano rua tekau*

*Prospects for 2020*

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# Our Country: Our Choices

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## Acknowledgments

The idea for this publication originally grew out of the '2020 Vision' group convened by Professor James Duncan, then Chair of the New Zealand Futures Trust, in 1993 and 1994. The work of the 2020 group was published in *Future Times*, the journal of the Futures Trust in early 1994. Later that year, two of the members of the group, Roger Peren and Malcolm Menzies, proposed that a more in-depth commentary be prepared on some key sectors. This idea, with some modifications, was approved by the Board of the Futures Trust. Heather Newell joined the editorial group and potential contributors were approached.

That the work has come to fruition is due firstly to those contributors, whose ideas have provided a stimulating collection.

Thanks are also due to Carolyn Lane and Jane McCann of McCann Lane Ltd, who immediately grasped the concept behind this project and whose generous sponsorship has enabled *Our Country: Our Choices* to be printed and launched.

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## Preface

**In fewer than three years we enter a new millennium. New Zealanders will join the rest of the world in reflecting on the past and in celebrating the achievements of many centuries. However, as much as we may remember or dream about the past, or revise our interpretations of it, it is not something we can truly influence.**

**The future is different. It is in our power to create the future we want, and to decide how it should be achieved.** This New Zealand Futures Trust publication proposes that the millennium be seen as an opportunity to celebrate the future as well as the past. It aims to begin a process which will create a vision of our country's future in the year 20/20, and to encourage reflection on the issues and choices that face us and our children if that vision is to become a reality.

That is not to say that a vision can be captured in one way in one place and kept there, unchanging, for 25 years. And complete consensus on a vision would be impossible. Rather, **a visioning process will enable New Zealanders to explore the way we see ourselves and our country now and in the future.** A vision will be expressed in many different ways - for example through writings, symbols, art, recreation and discussion.

Parliament and local bodies will be important forums for the debate about the future. Indeed, it could be argued that in a democratic society, political process is

the means by which vision should be determined and then pursued. But Futures Thinking can augment the political process, in all aspects of planning and policy development, by making the visioning process more explicit - and more effective.

**Our Country: Our Choices** contains eleven New Zealanders' views on the future. They provide a focus for beginning a discussion on a vision for Aotearoa/New Zealand. Some of the assertions on the following pages are provocative, but any discourse about desired futures is bound to be controversial. The collection aims to raise possible goals and issues that must be considered rather than to take a position on them - it is for the following discussion to canvass the appropriate responses, hopefully in an atmosphere of tolerance of differing views. The Futures Trust will publish responses in a second edition of **Our Country: Our Choices**.

**Our Country: Our Choices** asks questions about what we in New Zealand hope to achieve, given the situation of the human world as a whole, and the health of the planet. Contributors have written from sectoral points of view, but these merge and overlap. They have also addressed cross-cutting themes of cultural and gender relationships, demographic changes, and the impact of developments in information technology.

**Publication of Our Country: Our Choices** has been made possible by the sponsorship of McCann Lane Ltd, who are also committed to promoting the continuation of the debate which begins with this publication. To encourage a 'snowballing' process of debate, the book: **Our Country: Our Choices** contains a tear-off page to enable direct feedback. On the Internet, surfers able to e-mail via their browsers can respond directly to the points made, offer alternatives, and thus also become involved in the debate.

Malcolm Menzies  
Chairperson - New Zealand Futures Trust  
March 1997

## **What is futures thinking?**

**Futures thinking:** is a process that aims to establish a vision for a preferred future and then to identify the issues, trends and choices to be addressed in achieving that future.

**Futures thinking:** is different from forecasting, which extends current trends into the future, with results that are of limited benefit in a world of constant change. Forecasting has very little effectiveness beyond a five-year time horizon, whereas futures thinking tends to look forward a whole generation.

**Rather than forecasting, futures thinking involves 'backcasting'** - identifying where we want to be and then working backwards to see what we need to do to get there. The plural 'futures' is used because futures thinking is flexible. It recognises that there are many possible futures; indeed a key aspect of futures thinking is the identification of potential alternative future scenarios and investigation of their implications.

Futures thinking is important because many developments, particularly those that affect the development of people, or the country's infrastructure or economic base, or the sustainable development of our environment, are extremely long-term processes. In these cases it is important to set off on the correct path now. To find out in 25 years that we have taken the wrong turning would be disastrous, and futures thinking aims to reduce the chance of this happening. At a national level, a vision of the future would provide us with a benchmark against which to appraise policy decisions and to help avoid the damaging 'chopping and changing' which can arise from inappropriate short-term thinking.

**But futures thinking is not only of value at a national level - it has application in business firms and other organisations and communities.** Futures thinking helps people 'think outside the square' and prepare for the possibilities and opportunities of change. Organisations which ask 'what if' questions about the future are more likely to effectively meet and deal with sudden changes if they occur. Where people explore possible futures together, they develop a common language and understanding, and their efforts are more likely to be aligned in pursuit of common goals.

**To be effective, futures thinking needs to be participatory.** A vision cannot be developed 'on high' and handed down. If people have not developed some ownership of a vision through participation in its creation, they will not support it. Futures thinking is also multidisciplinary. It looks for connections between different perspectives and for insight into the key patterns that emerge. **Our Country: Our Choices is an experiment in futures thinking.** It has brought together a collection of views and aims to promote a participatory process. **Now it is over to you, the reader.**

## **Introduction**

New Zealanders have generally thought of themselves as being at once practical people and idealists. Given that traditionally we have been able to work wonders with a piece of No 8 wire, we have also had a pretty clear idea of the sort of society we wanted, focusing on issues such as education or health or, for example, votes for women. Moreover down the years we have adjusted pretty well to changing circumstances.

Today most of the same basic issues are still with us, of course, plus a few new ones, but all in a quite new situation. Our population has grown, and its make-up is more complex. New technologies are affecting many aspects of our lives. And we are more and more obliged to

co-operate with other countries and international institutions as members of a world community.

This is perhaps the biggest difference of all. No longer can we afford to think for the most part simply in terms of our own beautiful islands. In a fast-changing world we are more widely involved, and there is often a range of other interests and considerations to take into account.

A recent series of 50<sup>th</sup> anniversaries has reminded us what life was like here not so very long ago. Today, though we still have to work on the problems of health and poverty, unemployment and so on, we are operating in a new context. The challenge is to re-think our approaches to these problems taking account of the new context. What in the 1940s was already being called by some the 'world village' now really is a huge interdependent community. To borrow the sporting expression, we must lift our game.

We must all of us look ahead and consider carefully how we would like to be able to live in a world in which various trends identifiable today will have gone a stage further. We have both to try to forecast the likely environment in, say, the year 2020, and to ask ourselves what we should be doing to achieve a good life for ourselves, our children, and our neighbours when that time comes.

This is not just an academic exercise, or game. Such is the speed of development and change that we are going to have to take all sorts of decisions in the very near future, and with MMP in place more of us will be directly involved. In the past things generally moved at a fairly leisurely pace. No longer.

Some threads run through most of these papers, some common themes.

One is the contrast between the current trends towards on the one hand globalisation, of trade, finance, communications, politics, environmental issues...the list goes on and on, and towards showing greater concern than previously for small groups and communities, for minority cultures and languages, for regional organisations.

Plainly there are issues which can probably be handled best by the world community – trade rules, energy and water resources, pollution and the preservation of the environment, population movements, aspects of disease control, security and peacekeeping- while at the other end of the scale we need to be more understanding and accommodating of local interests and ambitions, and of minority groups. While we are all of us, no doubt, ready so far as possible to 'empower' individuals (and we are certainly concerned for the welfare and prosperity of our own local communities) there are issues which have to be seen and managed on a world scale. To get the balance right will never be easy, and it is likely to be constantly moving.

One only has to ask the question: to what extent will the people of New Zealand really have freedom of choice? In what areas, if any, might we be able to decide for ourselves without taking account of the views of neighbouring countries, trading partners or international institutions and obligations?

Already, for many years past, the scope has been narrowing.

Often this is seen as the ‘erosion’ of sovereignty, and some people are quick to raise objections. It is more helpful, probably, to recognise it as a natural enough change in the role of the nation-state, with certain powers being for good reason conceded to international institutions and others devolved to smaller groups or communities. Nevertheless this may well be the biggest mental or emotional adjustment we will have to make, and one that will inevitably alter our concept of our identity as New Zealanders.

Historically, of course, there were nations and communities long before the nation-state became the norm, and there is no reason to assume that it will continue to meet the world’s organisational needs without some modification. Living in an island country we have perhaps been taking it too much for granted.

Indeed, when we stop to think about it, in our own brief history we have had the experience of the provinces, have flirted with imperialism in the South Pacific, and decided against joining the Australian federation. We became a dominion but were slow to adopt the Treaty of Westminster which created the British Commonwealth; we welcomed the United Nations; and we now have special and almost unique relationships with both Western Samoa and the Cook Islands. There is nothing immutable about the nation-state. What we need are practical and appropriate (and in varying senses of the term, democratic) decision-making institutions. Most recently our own central government has been off-loading all sorts of responsibilities to local bodies, apparently with widespread approval. Though this does mean that people can make choices about more of the things that directly affect them, often enough there will be limits and constraints imposed by wider considerations and obligations.

Another practical consideration must be the size of our talent pool. As we become involved in more and more institutions and enterprises, and share responsibilities around more widely, do we inevitably run out of first-rate people to handle our affairs. Bear in mind that Australia, for example, has five times as big a population as ours.

Equity considerations are a recurring theme: should we aim to ensure equity of access to healthcare, education, information, the economy?

It is important to try to imagine the world as it might be in the year 2020. We must constantly seek a broad consensus among ourselves on an outline of the society and the economy we would like to have created by then, consider a balance between our own ideals or preferences and those of others in the world around us, and then devise effective systems to achieve what we want.

All New Zealanders, old and young, should put their minds to this task. When choices have been made, decisions should follow. This is our country, and they are our choices, and the practical responsibility rests with us.

## **Community Ethics: New Zealand by 2020**

Lloyd Geering

The year 2020 is now less than twenty-five years away. Roughly two-thirds of the people who will be living then are already alive today. Much with which we are already familiar will still be there then, save for any unforeseeable disasters such as

major earthquakes, epidemics or war. But there will also be much that is different, simply because cultural and social change is accelerating.

There has been more change in the last 5,000 years (since urbanisation) than in the previous 100,000 years. There has been more change in the last 300 years (since industrialisation) than in the previous 5,000 years. There has been more change in the last 50 years (since computerisation) than in the previous 250 years. This suggests there may be more change in the next 25 years than during the whole of this century.

But what sort of change will it be? Even a small and geographically isolated country like New Zealand will more and more reflect the trends beginning to emerge within today's global village.

Accelerating growth in trade, travel, communications, a common technology and a common body of secular and scientific knowledge, make it increasingly difficult for any nation to live an independent life. Each culture will retain some links with its past but these will become ever more tenuous as the emerging global culture extends its influence, for better or for worse.

Before sketching what I would like to see happen, I will set the scene by describing what current trends lead me to expect. For example, I am led to conclude that by the year 2020 New Zealand will be less obviously Christian than it is today. All religion of the traditional kind will be less evident but religion (or spirituality) of a new and more secular kind will be very much alive, and it will continue to reflect much which has been in the great cultural traditions of the past, including Christianity. By 'religion' I mean whatever grasps humans as their 'ultimate concern' (to use a phrase from the theologian Paul Tillich). In the next century it will be increasingly manifested in new forms and will probably not even be called religion. Already the term spirituality is tending to replace it.

If religion is defined in terms of our being grasped by an ultimate concern, then to find what issues will form the agenda of religion in the 21st Century we have only to turn to what have been some of the dominant moral trends inspiring and even unifying New Zealanders during the last two decades of this century. First there was the anti-apartheid movement. Then came the anti-nuclear movement. Along with these there is a whole host of humanitarian aid programmes of a global or supra-national quality, such as Amnesty International and Save the Children Fund. There is the growing awareness of all sorts of environmental issues, which may be called Green Consciousness. Here we begin to see the vague profile of the ethical-spiritual-religious face of New Zealand in the 21st Century. It is reflected in the unconscious re-emergence of some basic religious terms, such as 'salvation' and 'sanctuaries.' The term 'salvation' is today being resurrected with a new relevance and new urgency. The salvation of the earth, and of all forms of life within it, will

increasingly become the dominant concern of humankind in the globalising century to come.

### *Secularisation*

In reaction to the erosion of traditional forms of religion caused by secularisation there have appeared some strong pockets of resistance, notably Christian fundamentalism and Maori culturalism. This is a worldwide phenomenon, for religious fundamentalism is as characteristic of the Islamic world as it of the Christian world. There is also a resurgence of indigenous ethnic cultures round the world, all understandably fighting to retain their identity against the great flood of secularisation which threatens to sweep them into an anonymous global future.

By secularisation is meant not only the process which is causing us to see this world as the only reality, no matter what our ethnic or religious tradition has been in the past, but also human autonomy. This emerged chiefly during the European Enlightenment. It provided the foundation for the rapid expansion of empirical science by giving people the confidence to question inherited tradition. The freedom to question tradition has been particularly devastating to all traditional forms of religion and culture.

It means that the organs of religious authority inherited from the past are becoming obsolete. Whether it is the Word of God in the Bible, the voice of the Pope or the voices of the Maori kaumatua, they will more and more fall on deaf ears. The authority of religious leaders and the mana of Maori leaders will carry weight only to the degree that it suits others to appeal to it for their own ends. The ordained priesthood and ministry have already lost most of their former authority. The once clear line between priesthood and laity is already becoming blurred and will soon count for nothing.

Traditional religious festivals and rituals will fade into insignificance unless they can be fully secularised (as has happened with Christmas, which is now a secular family festival). Sunday will become like any other day and the institution of the week will become blurred. The traditional religious institutions will continue to fall into decay. Large church buildings will become less frequently used. Many will become redundant and the best of these will be preserved as historic monuments.

Perhaps all this may be most simply illustrated by taking the case of the Roman Catholic Church. This is not the major Christian denomination in New Zealand, of course, but on the world scene it more than equals all the others put together, in size, momentum and influence. The coming decades will be quite catastrophic for the Roman Catholic Church. Because it is centrally and authoritatively ruled from the Vatican, it has been described as the last great absolutist empire.

Absolutist rule is on a collision course with the secularising process and with human autonomy; this is the reason for the breakdown of absolutist political rule, first in Europe, and more recently in Soviet Russia. Signs of a coming crisis for Catholicism are already appearing (though in different ways) in such places as Holland, Ireland, Latin America and Africa, as well as in New Zealand.

The Catholic Church in New Zealand may find itself in much the same situation as the other so-called mainline churches - all growing smaller in size and becoming further marginalised from the hub of society. They will be little different from the many other religious groups, often referred to as sects. They will all increasingly become part of a vast religious supermarket from which individuals choose or reject what suits them. The traditional ones will find themselves competing with numerous New Age religions, secular ideologies and sporting activities.

### *Individualism*

Closely linked with the current decay of religious institutions is the increasing reluctance of people to commit themselves permanently to anything, be it a church, club, society, political party, or marriage partner. The replacement of the two-party system by MMP is all part of the same process; political alignments will be short-lived. In an age of rapid change, and with our modern understanding of the human condition, we are increasingly aware of how much personal change we often undergo through life. So we must leave ourselves free to change and respond to new circumstances. Taking lifelong vows was once regarded as highly virtuous. Now it may be regarded as precarious and even unethical, in that the person one finds oneself to be today may not have the right to bind the person one will become in the future.

But let us not think that the decline of the traditional religious institutions will automatically open the door to a life of joyful freedom in some coming secular Utopia. The great traditions of Buddhism, Christianity and Islam at their best were long-term civilising forces. They were able to curb personal violence and anti-social behaviour by providing value systems and goals which were sufficiently motivating to bring stability and cohesion to the societies which they permeated. As these traditions recede they leave the more brutal capacities of the human condition (still present beneath the veneer of civilisation) free to re-emerge.

As the traditional socialising forces decline, self-centred individualism is given a freer rein than it ever had even in pre-civilised times. In the political arena this is reflected in current economic policies with their emphasis on impersonal market forces, individual effort, user-pays and shedding of responsibility for the welfare of others. But this is all of a piece with what is occurring at the other end of the social spectrum, where it leads to the plundering of other people's personal property, mindless vandalism of public property, and personal violence stretching to rape, murder and terrorism. Once again this is a worldwide phenomenon from which

New Zealand is not excluded and it is one opened up by the decline in the civilising effects of the great religious traditions.

Thus social unrest and anti-social behaviour will accelerate in the coming decades. There will be increasing calls for a return to the religious or ethnic cultures of the past and for the re-introduction of stricter control backed up by force from a higher authority. But as with the opening of Pandora's box, there can now be no return to the former social securities. What we humans now have to do is to learn how to use our new found freedom for the benefit of all and not just for ourselves alone, something which right-wing ideologies are loath to acknowledge.

Our present wasteful use of the non-renewable earth's resources, coupled with our increasing pollution of such basic commodities as air and water, and our interference with the delicate ecology of the planet, will be the burning issues of the 21st Century and already threaten to make it a very turbulent one.

Our failure to acknowledge our common humanity across the barriers of gender, race and culture, coupled with our reckless disregard for the Mother Earth on which the human future depends, are today's equivalent of the sins against the divine Heavenly Father about which traditional preachers had so much to say. Even now there are far-seeing economists and scientists who, like the prophets of old, are telling us that our emphasis on economic growth, consumerism and technology, have alienated us from our own spiritual nature and from our own best interests in life.

### *A testing time*

It is true that in the globalising century religion and spirituality will be much more humanistic than in the past. Appeal to supernatural forces will have no place in the future except for the proverbial flat-earthers. But that does not mean at all that our experience of transcendence, awe and mystery will disappear. It will be rather that we experience these emotions in contemplating the universe itself in all its infinite magnitude and diversity. The mystery of life, long associated with an other-worldly supernatural power will be re-associated with nature. It is nature itself, for want of any better term, which, through aeons of time, has brought forth life on this planet and brought forth us as creatures who are able to ponder it and hold it in awe.

There is more than ample room for the full gamut of the emotions associated with the religion of the past as we contemplate both the wonder of being alive in this amazing universe and the responsibility we must now accept for preserving and fostering earthly life. The saving of the earth calls for much more selfless dedication than the traditional forms of religion often did. The ecosphere itself has now become the God "in whom we live and move and have our being." Indeed, the

care of Mother Earth, and all which that involves, is to a large extent replacing the traditional religious duty of humans to show obedience to the Heavenly Father.

The 21st Century we are now preparing to enter will prove to be a severely testing time for the future of the human species. It will take all the collective will we humans can amass to halt our exploiting, polluting and destructive way of life and, of our own free choice, turn our collective energy into avenues which respect the earth, preserve life and promote harmony in the ecosphere. The forms of spirituality adequate to the challenge call for the highest degree of personal selflessness. The salvation of the earth and of all its forms of life is not primarily for oneself but for the benefit of all. It is not just for those living at present; it is much more for the benefit of those yet to come. The religion of the century to come will either manifest the highest degree of altruism ever known or it will be the last century of human civilisation.

### **Lloyd Geering**

#### **-Biographical Notes-**

Lloyd Geering was born in 1918, educated chiefly in Otago and holds Honours degrees in mathematics and Old Testament Studies. Inducted as a Presbyterian minister, he served in Kurow, Dunedin and Wellington. He held Chairs of Old Testament Studies at theological colleges in Brisbane and Dunedin before being appointed as the foundation Professor of Religious Studies at Victoria University.

Since his retirement in 1984 he has continued to lecture widely throughout New Zealand. He was awarded an Honorary DD by the University of Otago in 1976 and a CBE in 1988. Lloyd Geering's latest publications have been *God in the New World*, *Resurrection: A Symbol of Hope*, *Faith's New Age* and *Tomorrow's God*.

### **Conservation: extinction wave or healing tide?**

Geoff Park

Time is of the essence. Two decades out into the next millennium, 2020 sometimes seems unreachable. Yet in nature's terms it is but a moment. Rewinding the tape of history back the same period of time brings me to a world without laptops, mountain bikes or videos - and few colour TVs. Winding it back another 24 years and I get to my own infancy, in a world with half as many people, but many more forests and wetlands; the beginning of the era in which the speediest destruction of the world's environments - by far - has taken place. Predicted to double again by 2035, earth's human population will be near eight billion by 2020. Can human numbers actually get that high? Does the planet have the resources to sustain them?

Or will nature's ruthless laws deal, as they eventually do, with exponential population growth of that kind? Are they correct, those gloomy prophets who allege our species is causing the 'end of nature'?

New Zealand is distinguished in the great saga of humanity's spread across the world as the last occupiable landmass to be reached. That is what makes the conservation of nature here so important. Nowhere else on earth are there ecosystems whose evolution has been quite so isolated from our species' evolution. Ecosystems that still exist as though we don't.

There is of course a flip side to such seclusion from as assertive a species as us; few countries' native ecosystems have been so comprehensively ravaged by a single new species or have had such a high proportion of their native species rendered extinct or nearly so, in such a brief space of time.

In biological terms humans are just another invasive species expanding into space we couldn't previously reach and exploit, out-competing those there before us, building our numbers up slowly at first and then exponentially.

Another New Zealand example of an invasive species in new space is the Australian brush-tailed possum, which has grown even more spectacularly. Estimated at over 70 million today, its population has doubled since the late 1970s. By 1996, \$45 million a year was spent controlling possum numbers and the issue of adequate funding, to prevent some 1.8 million acres of native forest from collapsing from possum browsing, was topping news bulletins.

One of my most compelling memories of becoming an ecologist was when, as a teenager in 1963, I took part in a study of the kamahi forest on the lower, western slopes of Mt Taranaki. I was struck by the forest's sprawl around the great mountain and the sense of being in a vast, dark room. As each day ended we walked toward the park edge and the setting sun, shafts of light appeared between the trees. It was still like that when I returned in 1969. But when I next saw it with my son 26 years later, any prospect of re-living that teenage experience had vanished. It was a forest no longer. What Cyclone Bola hadn't taken of the spreading kamahi trees had been eaten away by possums.

In the same brief span of a quarter-century, we have been able to convert a vast plain of lowland forest, such as Horowhenua had in 1880, to pasture and towns. We have dammed major rivers and totally altered their ecology. Foreign birds or plants we have introduced have been able to spread through the entire country. The coming quarter-century will inevitably bring more changes of that kind.

The conservation movement in New Zealand is no more stable than the landscapes in which it operates. Over equivalent periods of time as between now and the year 2020, the conservation imperative has vacillated from preserving water catchments

and scenery to endangered bird species, wilderness and representative examples of the range of vegetation types and landforms. Do we continue on this erratic path or develop a consistent, long-term approach?

As we approach the new millennium, the key word in conservation is 'biodiversity', a word suddenly on everyone's lips but not yet in legislation. Twenty-five years ago, it was not even in our vocabulary. Biodiversity spans everything from the control of pest animals to purchases of ecologically significant but unprotected land. But the core of it, the rescue philosophy, the recovery plans, is focused on what most people understand biodiversity to be - individual, endangered species. Yet the international conservation literature is beginning to abound with ecologist opinion that we cannot even come close to attaining protection for existing biological diversity, let alone sustain its protection if we focus our efforts on species. The only way to conserve the overwhelming mass of biodiversity is to adopt larger scale approaches at the levels of ecosystems and landscapes.

### ***A broad approach***

The immediate problem for biodiversity in most of New Zealand's threatened ecosystems is not so much that we humans now live in them and that we have reduced their indigenous qualities to tiny remnants, but that in our short history we have made private land and individual property rights so central to our way of life. New Zealand may be pictured by two types of maps. The first, a biogeophysical map, displays the land's physical forms, water catchments and vegetation cover. The second, a political map, outlines land ownership boundaries, the human settlement pattern and its transportation networks.

Superimposing one map on the other, and looking in particular at the more subdued parts of the country like the lowland plains, the basic problem for the ecosystem approach to conservation reveals itself; the land base of most lowland ecosystems extends beyond the protected bits - what some call 'the conservation estate' - to a plethora of privately owned land parcels. Plant seeds blown on the wind and birds flying crosscountry don't confine themselves inside the boundaries of the protected pieces. That is why biodiversity is a matter that concerns all land, and why New Zealanders will need to choose how to share responsibility for the stewardship of land in a way that recognises natural boundaries, not just human ones.

Holding what's left of threatened ecosystems and supplementing this by restoration will require a high level of community interaction, something I fear that by 2020 we may still not be very good at, unless we decide to adopt a major shift in attitudes and practice (and I am not talking about the land-grab of redneck fears).

The 1990s are an era of open market economics and diminishing government intervention in the way we inhabit our chosen place. They are a time too, of

lessening acceptance of being told how to live in it by someone else who values it in ways we don't. At the moment, it seems to be a trend that is more likely to intensify rather than ebb by the year 2020. In the process things could be very tough for conservation.

Ecology, with its counsel that all land should be cared for as though it's everyone's, is called the subversive science. Its philosophers, like Thomas Berry, believe that Western civilisation with its aggressive, plundering, male domination is declining and we are now entering an ecological era with more, nurturing, feminine qualities. New Zealand's Resource Management Act, he'd say, is one of many signs that, as a result of the skyrocketing demands placed on resources by our society, we have learned of the intricate bond of interdependency between ourselves and the biosphere that gives us life. From it what Theodore Roszak calls an ecologically informed vision of biospheric wholeness is emerging. An intelligence as deeply rooted in the foundations of the psyche as the sexual and aggressive instincts Freud found there.

### *Challenges ahead*

In New Zealand's modern culture, no task is more central, more paramount, to that objective than ecological education of the kind now active in the Australian 'landcare' movement: pushing ecologically disruptive land uses outside the bounds of private ownership rights; helping landowners see the harm they can cause and the scale and cost of the patch-up; designing and implementing the patch-up, the restoration effort; helping planning authorities and judges to see how nature's ecosystems work - how one parcel of land is inevitably linked to the next, and how far and wide ecological processes can spread the ripples of a particular land use.

New Zealand's Resource Management Act is admired internationally because it has the potential to give a legislative base to ecosystems, life support systems and their sustainability. The next quarter century through to 2020 will reveal if, in the reality of land use decision-making, such a radical shift from the ethics of private land rights can itself be sustained.

Is it possible, Roszak asks, that the personal and the planetary are pointing the way toward some new basis for sustainable economic and emotional life that, until now, our preoccupations with growth and technology have prevented? Until just a few years ago, the possibility would have gone unrecognised. Environmentalists preoccupied with preserving the wild and indigenous against humanity's exploitative demands, have gone about their organising, agitating and educating without much thought to the prospect that the real work is with ourselves; that behind the human love of nature lies the potential of a more sustainable psychology.

But can the anger and negativity of blaming and shaming so pervasive in the conservation movement be converted, in time, into the co-operative energy needed to bring it about?

Richard Leakey believes that what is about to happen to the life of the world is unprecedented. We are, he says, on the brink of a major spasm of biological extinction. It has had its equivalent before in the 3.5 billion years of life on earth - five times in fact. But this time the cause is not alterations in the global climate or an asteroid strike, but a species, homo sapiens. Humankind now consumes a staggering 40% of all the productive capacity of the earth's biota. It also confines itself to cultivating a very narrow band of plant species - a mere seven of which provide 90% of our diet - making us highly vulnerable to diseases that affect these species. By 2050, if the trends of alteration to the world's ecosystems continue, over half of today's existing species will be extinct.

Madhav Gadgil, an Indian ecologist, fears a prospect even more frightening within our psyche - the ancient, biblical imperative to own and control the other species with which we share the planet. As a culmination of this process, he thinks, the world is entering a new phase as, with the advent of molecular biology, humans learn how to create an entirely new kind of artefact: the genetically engineered and corporately-owned living organism.

The New Zealand landscape already contains plantations of cloned, genetically identical pinus radiata trees - something that nature would not create but humans can. That's just one example of the extraordinary developments in genetic engineering now going on. Developments that 24 years ago were unheard of but, by 2020, will be that much more part of our life.

Paralleling them has been a flurry of international debate to create global agreements to stem the tide of species extinction. And when the 1992 Convention on Biological Diversity and GATT (the General Agreement on Tariffs and Trade) revealed the power of corporations relative to the store of natural biodiversity that is their raw material, they aroused the fears of indigenous people worldwide at what they could lose.

Aotearoa's indigenous people have been as active in the debate as any. Maori have recognised biodiversity as a taonga and thus an issue of sovereignty under the Treaty of Waitangi. Like the booming tourist traffic through our primeval forests, the force that this will have on conservation in the next few decades, is something we have not had to face before.

New Zealanders' 'conservation estate' of scenic and scientific reserves, national parks and nature reserves is built on essentially Eurocentric concepts and the subjugation of Maori environmental knowledge. An integral aspect of the colonial project, its legal root is English common law. Those who foresee it remaining that

way should not fantasise that Maori insistence that Aotearoa's forests and birds are taonga - and theirs by reason of the Treaty of Waitangi - is a temporary circumstance. And will Polynesia's other contributory cultures - Tokelauan, Tongan, Samoan, Nuiean - seek in conservation what they seek in broadcasting and education? Will the current pace of immigration from Asian countries bring with it, by 2020, influences on conservation as well as the economy?

Part of our difficulty in confronting the future of conservation is that as we have always thought of utopia, we think on too grand a scale. Nor are we very good at conservation strategies without imposing simplistic formulae that ride roughshod over the country's natural and cultural diversity. How do we make conservation meaningful for the range of cultures living in New Zealand without discarding the cherished successes of British colonial domination? One thing for sure is that many more New Zealanders love and belong to their places and what nature intended for these places than they did 25 years ago. And more will be expressing that sense of place by 2020. I don't know if it is possible to love ecosystems, but I am confident that the rediscovery, restoration and reconnection I sense going on now will be stronger in 2020 than now, and ever before. What we call 'conservation' might be happening less by government intervening than via what Jacquetta Hawkes once described as "a patient and increasingly skilful love-making that persuades the land to flourish." It will need, for one thing, a different kind of conservation movement than we have now. What the American philosopher of ecology Gary Snyder calls finding our place and digging in. These things are possible.

### **Geoff Park**

#### **-Biographical Notes-**

Geoff Park is an ecologist and writer. His primary concerns have been conserving the last remains of New Zealand's indigenous lowland forest ecosystems and understanding the colonial history that led to their near-vanishing. This culminated in his recent bestselling book *Nga Uruora: The Groves of Life - Ecology and History in a New Zealand Landscape* (VUP, 1995).

After PhD research in nutrient cycling at the Australian National University Geoff returned to New Zealand in 1975 to develop the ecological surveys that have underwritten national protected natural area programmes.

After 20 years with the former DSIR and the Department of Conservation he resigned in 1996 to establish the consultancy Geoff Park Landscape History and Ecology.

### **Aotearoa/New Zealand by the year 2020:**

## **Maori and European perspectives**

Morris Te Whiti Love

The last quarter of the 20th Century has been one of connection for both Maori and non-Maori New Zealanders. One and a half centuries after the start of rapid colonisation is long enough for those who were involved to be forgotten in a personal sense. It is also long enough for people wanting to remember those people to do so as an act of historical remembrance, rather than personal recollection. The sesqui-centennial of the signing of the Treaty of Waitangi was intended to celebrate our coming of age as a bicultural nation. The realities have been quite different from the romance of one side and the pretence of the other. We seem to be going through adolescence as a nation, all hormones and drama.

I have lived through a very changeable era. My wider family has known the effects of colonisation being the tangata whenua in Wellington at the arrival of the settlers from the New Zealand Company. They had at the time of the arrival of the settlers only recently arrived in this area from Taranaki themselves. They had barely established themselves before the Pakeha arrived en masse. They had nonetheless established their authority in the Wellington area. That authority remains to this day and will continue to the future generations.

This was a period of rapid change for our people, who adapted from subsistence farming and fishing to being traders and growers of crops and animals. There were rapid changes in traditional occupations, but not so much in tribal custom and practice. Maori language and custom remained dominant until the turn of the century, when it became clear a change was needed for survival in the new world.

My father was typical of our people of the time. He was born just after the turn of the century on Arapawa Island in the Marlborough Sounds. He was fostered by a Maori woman relative, who was traditional in every way. Maori was his first language and culture. He was brought to Petone to go to Petone West School as a young lad - he knew little English but had brothers and cousins who had been brought up in town. He did not prosper and left while still a youth. Dad brought us up knowing we were Maori but following the lead of my mother, that we needed a European education first. Te reo Maori and tikanga (practices) were not specifically taught although they were a feature of my childhood. The marae was an integral part of our family activity, although not on a daily basis.

I gained a strong appreciation of the natural world from my parents. A love of both the sea and the bush were a natural part of growing up. Water has been a feature of my life as I learned survival skills in the water and in the bush. Growing things, agriculture and animals, were all important and I guess helped shape my future career path and interest. I was brought up in the worlds of Maori and non-Maori politics.

These things shape my vision of the future but do not serve to determine it exclusively. The world of my childhood like that of my parents must stay in that time. It cannot or should not be recreated. What should happen though especially for my mokopuna is the creation today of a future we can agree we would like both personally and collectively.

Recent history surrounding the relationship between Maori and non-Maori has featured some distinctive periods not unlike the cycles of popular music or the various fashions for wearing clothes and how we wear our hair. I would characterise the period since the Second World War like this.

Just after the war many Maori men came back to a changed and changing world. They were not assisted like their non-Maori counterparts, and were left to their own devices and the care of their own whanau. The land base had diminished and was continuing to disappear. Locating in the countryside and working in the rural environment rapidly became a non-option. Having been overseas, and with the postwar growth of manual jobs in the cities, the migration from the country began in earnest. Once begun, it progressed apace and the boom times of the Korean War fuelled the growth of industry. Many Maori had already stopped being farmers, and land areas were consolidated into incorporation blocks to be farmed on behalf of beneficial owners or Maori shareholders. Returns to the marae and the whanau left behind decreased and tended to be only to tangi, weddings, and birthdays.

A period of prosperity followed through the fifties and sixties. Many Maori did not fully share the prosperity and did not purchase homes of their own. Instead they ended up living in state houses built by the Maori Affairs Department. They also did not often gain skills or qualifications, but tended to be labourers. Many had considerable academic ability but did not like staying at school. Coming to the city was to make money rather than to gain skills. Few Maori were involved in investment, and many disinvested in hard times by selling land interests.

As we moved into the seventies and eighties there was a recognition that Maori education was seriously deficient, and attempts were made to get Maori into the mainstream of education. It was not really successful. There was also a recognition that the Maori language was declining rapidly. It became clear that things were not all well for Maori. The period of protest began.

### *Demand for change*

Prior to this time the degree of separation of Maori and non-Maori and the lack of a coherent and voluble Maori voice had created the illusion that all was well with Maori and between the races. In this period that rapidly changed, with liberal Pakeha pushing to change how we recognised things that were important for Maori. The birth of the Waitangi Tribunal and the growth of land rights awareness, along with the re-emergence of the Treaty, aided by a cultural renaissance, fuelled

the growth of the new identity. The new educated middle class Maori emerged as a culturally hungry, politically aware force.

At first the politicians, driven by the Courts, were keen to assist change and to support the rise of recognition of Maori environmentalism. There was a discovery that Maori saw the world somewhat differently from non-Maori. The emphasis switched to differences rather than similarities. This new identity was unsettling for non-Maori, as in the past they had seen Maori as content to assimilate and be like them. That previous perception was comfortable and easy. No effort was required to understand that position or to accept that the person next door, despite being a slightly different colour from them, was in all other ways the same. There were some changes, but they were minor and people could live with them easily enough.

The next period became the time of politicisation, where Maori were not content to leave real change to chance and pushed change to happen in every forum available.

What Maori started to seek through the eighties and into the nineties was real political and economic power. The changes in this era started to bite. The backlash was equally robust. The reaction came not only from the conservatives who wanted to keep New Zealand white and monocultural, but also from the liberals, who had initially fostered the changes only to find they too were outside the new political movements. For example, the Maori cause had been of great benefit to the conservation movement until it started to take a life of its own. This became very uncomfortable for the liberal non-Maori and provided for the parting of the ways.

The Maori call for sovereignty, like the initial branding of the Treaty as a fraud, has a number of inherent difficulties. The first of these is that what is meant by sovereignty varies from person to person over a very wide scale. Some is driven from a racist base, seeing non-Maori as the essential problem and thus wanting to create a nation-state (or number of nation-states) within the overall sovereignty of the country but competing with it. This would create a number of semi-autonomous reserve-type states with internal 'home rule.' No one I am aware of has ever fully articulated this model but it just seems to hover in the background like some ghostly portent.

At the other end of this scale the sovereignty argument follows a more Treaty-based approach which seeks greater authority and control (*rangatiratanga*) over resources which may presently be used and valued by non-Maori. This has been the basis of many claims to the Waitangi Tribunal and direct negotiations with Government.

In between these two broad models a number of constitutional models are espoused. One such model is the tri-cameral legislature in which there are two lower houses which can process the business of Parliament, both subject to a single

upper house. One lower house is for non-Maori and the other for Maori, with the upper house shared equally. There are many more possibilities in this regard, but few have substantial non-Maori support and so are not likely to drive change in this area. The most likely course is along the model of tribal authority, not unlike local government. The tribal authority could have a more horizontal relationship with the Crown's representative, particularly if we were to move to republic with a senate or perhaps a president. These are merely matters of conjecture that would need considerable careful scrutiny and debate. As economic sovereignty disappears it would seem wise for Maori to gain economic strength. This will be the currency whereby any real gains for Maori will be able to be made here or anywhere else.

Maori have fought to regain a dying culture, they have fought to maintain a dying language, they have been described as a dying race. There will be no tangi or funeral here however, and though a degree of assimilation is occurring it is now in two directions. Non-Maori parents are discovering their children are much more bicultural and in fact multicultural than themselves. The new world of the next century will resemble this one but will be more evolved, especially in a cultural sense. Rather than wasting energy resisting, the time has come to recognise we have something unique and special that belongs to us, our children and their children. It is not Maori and is not European, it is not American, Asian or Australian. It is us. I hope we can see ourselves in the mirror and take pride.

### **Morris Te Whiti Love**

#### **-Biographical Notes-**

Morris Te Whiti Love is affiliated to Ngati Te Whiti, Ngati Tawhirikura and Ngati Puketapu hapu of Te Atiawa as well as to Taranaki tuturu. He is a descendant of Te Whiti o Rongomai and the Nga Motu chiefs who established their manawhenua in Te Whanganui a Tara (Wellington) and of Honiana Te Puni and Wi Tako Ngatata along with their relation Te Wharepouri. Morris is also a descendant of John Agar Love from the Isle of Skye who married Mere Ruru Te Hikanui from Taranaki.

The Love family have maintained their interests in both Wellington and the Marlborough Sounds along with their interests in Taranaki. Arapawa Island is particularly important as it was here that both Morrie's father Wera Te Teira and uncle, Makere Rangiatea (Sir Ralph) Love, were born. Morrie's mother is of European extraction and was born in Waitotara. She is an internationally known expert in the iris species. Morris is married with four children and has two mokopuna.

Morris has a degree in agricultural engineering, worked with Catchment Boards dealing with engineering schemes and water resources and spent time teaching civil engineering in Papua New Guinea. He formed the Natural Resources Unit in the Ministry of Maori Affairs and managed Maruwhenua, the Maori secretariat of

the Ministry for the Environment. In between these jobs, Morris worked as a private consultant in Maori resource management and Treaty claims to natural resources.

In June 1996 Morris took up a new position as Director of the Waitangi Tribunal.

## **New Zealand in the world community**

Roger Peren

For the last 20 years or so people have been noting and commenting on two opposing or contradictory trends at work in the world. One is towards globalisation, whether of communications, business, the rules covering trade or the protection of the environment, or security - towards a more accessible, interactive world. The other involves more responsibility being given to local communities and authorities, and greater concern being shown for minority groups, their languages and cultures. Central governments have found themselves conceding control or influence in both directions. In New Zealand we have certainly seen evidence of this.

For a country such as ours, does this involve a choice? Our trade interests, our concern for the maintenance of peace and security and the abolition of nuclear weapons, our concerns for health and human rights and the protection of the environment, all oblige us to play a pretty active role on the world scene, where these issues are being debated and decisions taken in one multinational forum after another. We have our own views on all sorts of issues, and generally we want to ensure that as far as possible decisions are sensible, forward-looking, and likely to work to the benefit of the world as a whole. Certainly we wish to retain the chance to object to decisions which might seriously disadvantage us or our closer friends. That all seems straightforward enough.

Can we afford to opt out? Could we shut ourselves away at the bottom of the South Pacific and live in splendid isolation? To begin with, it is not in our nature. In fact we rather pride ourselves on being good citizens of the world. And in practical terms of maintaining our livelihood it just wouldn't work.

Is this likely to change much in the next 25 years? The short answer must be, in the absence of major disasters (large-scale wars or physical catastrophe) - no. Technological developments and attempts to deal with world problems more and more encourage or oblige us to see the world as one unit - the global village. From one point of view we humans are all still 'tribals' and will remain so, concerned for our own welfare and inclined to be antagonistic towards strangers. But for good

and sufficient practical reasons we have to be internationalists too. We are already; and there seems no alternative.

### **What are some of the implications?**

When thinking about the future management of relationships between countries or communities, one starting point must be the likelihood that by the year 2020 world population may have about doubled. Estimates differ, of course, and the 1994 U.N. Population & Development Conference hoped it could be held below 8 billion in 2050, which even if it does not put great pressure on resources will make the world a very different place. Spillover from crowded areas. Unprecedented migration across borders, legal and illegal. (People are talking about "borderless communities.") Huge and perhaps barely manageable cities. (Will we need dozens of nuclear-powered desalination plants?) Communications technology will have even further affected information services, business and finance, education, shared values and of course politics. The impact of CNN International and the Internet is already an indication of what is likely. Travel will be easier.

All the indications are that countries will increasingly have adopted collective, joint or coordinated approaches to political, security, economic and environmental problems, for the world or for particular regions.

When one considers some of the problems that people see looming - competition for energy resources, for example, or water; major food shortages; global warming; or the need to provide support for the people of what are being called 'failed' or 'collapsed' states - it seems clear that solutions, however inadequate, will be found only in a multilateral approach.

Just as individuals and families join together to handle their affairs more satisfactorily, to take care of common problems, to achieve a better way of life - or, in biological terms, to increase their chances of survival - in the world of 2020 most sovereign states will have accepted the logic of doing pretty much the same. The indications are plain enough today.

Granted that there are likely to be from time to time regimes which refuse to collaborate, which cause trouble, and also areas which for one reason or another are left somewhat apart from the general community, it seems reasonable to foresee that for us as for most countries the next few decades will be characterised by:

- Increased participation in international or multilateral political, economic or other organisations and groupings, some new, some old
- Willing compliance with a wide range of international conventions and rules adopted for the common good

- Globalisation of industry and commerce and 'borderless' economies - though patterns of trade and management structures may change from time to time
- Continuing technological developments, eg in utilisation of energy, food production, or health services
- Much stricter approaches to the protection of the environment; and involvement in world-wide environmental issues
- Some obligation to contribute to peacekeeping operations
- Greater acceptance of the concept of comprehensive security
- Continuing challenges to the ideas of democratic governance and human rights as we understand them
- New interests such as for example animal rights, which for New Zealand might prove of particular importance.

Already we in the Pacific Basin have a growing sense of community among societies with very different histories and cultures, different problems and interests, aware of the benefits of seeing themselves in a much wider context than was ever conceived by their fathers and mothers. While technology is advancing apace, political arrangements are - understandably enough - rather slower to move. But moving they are.

The creation of the Asia-Pacific Economic Co-operation forum was a major step towards organising our affairs on a regional basis, the full significance of which is still not generally grasped. The ASEAN Regional Forum is another. They build on the work in earlier years of the Pacific Economic Co-operation Council and Pacific Basin Economic Council, and a host of other multilateral institutions. We recall the efforts of the South Pacific Commission and South Pacific Forum.

All in all this will lead to a consensual approach on many issues. It is interesting that in this country already something like a quarter of our legislation is designed to give effect to our international obligations, to programmes, standards and rules agreed among numbers of countries concerned to improve living conditions for all, and which New Zealand too has accepted.

### ***Choices***

Accepting in broad terms that this is the likely situation, are there nevertheless choices for New Zealand? The obvious analogy is, of course, the range of options open to a good, thoughtful, responsible citizen in a law-abiding society.

### ***One***

In one scenario New Zealand sees itself as an active member of this large multinational community, i.e. as an independent nation forming associations with others for an increasingly wide range of purposes. For a state to elect to undertake certain responsibilities or to accept certain limitations on its freedom of action is of course an act of sovereignty. It looks to the benefits to be expected.

This involves considered participation, without sacrificing national identity, in a variety of multilateral and bilateral arrangements with the aim of increasing the well-being of New Zealand and its neighbours, and being prepared to make concessions to majority opinion or to accept majority positions.

That means recognising and accepting the responsibilities of membership of, for example, the United Nations (including participation in peacekeeping operations) and other such organisations, respecting international law as currently interpreted, participating in international trade on the basis of the World Trade Organisation and other regional agreements which have been entered into, and observing multilateral conventions on the protection of the environment, again on the basis of consent.

One consequence is of course some limitation of freedom of decision or action. Today there are many more such limitations than there were 100 years ago. Although this is sometimes objected to as 'erosion' of sovereignty, and there will be areas in which a government can no longer control as it might on occasion like to the actions of its citizens or of visiting foreigners, it can also be seen simply as an enlightened approach to the problems of living on this crowded planet.

So what about deregulation, for example? In New Zealand we think we have done rather well with deregulation, have once again been pioneers. The answer appears to be that deregulation of certain but not all aspects of, say, banking and finance within one country can be thoroughly desirable even while new regulations are being imposed in other fields, generally in response to 'popular' (or democratic) demands, for the management of behaviour or international transactions.

Not only will New Zealand want to be involved in any discussions or negotiations at intergovernmental level, we will also be concerned to participate in what are being called 'Track Two' discussions: these are informal exchanges between groups of businesspeople, scholars, journalists, politicians and others who debate and explore issues which may or may not yet be the subject of consultation between governments. These have proved valuable as a way of focusing attention on matters or problems which are felt to be of growing importance, clarifying concepts, introducing fresh ideas, and defining decisions which may have to be faced up to. Often enough it may be possible to make useful progress in a relaxed atmosphere where national positions or interests do not dominate. New Zealanders need to be aware of the trend of such discussions, to know other people are

thinking about or planning, and to have an opportunity to make some input and, perhaps, express dismay at some of the suggestions that are made.

New Zealanders have in the past been able to make useful contributions in the well-known NGOs and in various seminars or conferences, especially on issues of importance in our part of the world. Examples are the Pacific Economic Co-operation Council, the Council for Security Co-operation in Asia Pacific, or the Williamsburg Conference. But there are others too, in specialised fields.

## *Two*

At the other end of the scale, logically enough, would be a decision to limit to the greatest extent possible contacts with the outside world. For a country that earns its living by international trade, whose citizens rely on a great many imported goods and services and who enjoy overseas travel, this is probably a non-starter, however. Though New Zealanders sometimes joke about our ability to feed ourselves, and wear only our own woollen clothes, a moment's reflection will show that this is no longer acceptable - if, indeed, it ever was.

Supposing it were to be taken seriously we would presumably need to decide what New Zealanders were prepared to do without, what equipment, conveniences or technology they would forego, how the economy might be re-designed to provide basic necessities (at a significantly lower standard of living) and then to consider a programme of adjustment. A 'desert island' economy?

People quite often speak of 'economic nationalism' as though it would be simple enough to put strict limits on foreign investment in New Zealand companies, restrict in some way the activities of multinational companies, ensure the dominance of New Zealand interests in virtually all business enterprises and virtually stop land sales to foreigners. Plainly enough, of course, we are indeed fully entitled to do our best to defend ourselves against any unacceptable aspects of participation in international trade or finance. So long as large-scale investment or new technology are required by our companies, however, and we are trading on world markets, we are likely to need outside sources of capital and working alliances with big overseas operators. All too easily protecting ourselves from perceived encroachments could come to mean actively disadvantaging ourselves by hindering the development our economy.

This sort of withdrawal from the international community would reduce the opportunities for New Zealanders to satisfy their aspirations or lead a good life, and their country would not be regarded as a good citizen of the world. It would mean that it was frequently the target of criticism, that it had little or no voice in international councils, and (ultimately) that it might be found to have made no provision for its own security. Once having been judged to have opted out, few other countries or overseas institutions would be much concerned about our fate.

### *Three*

As an in-between position there is what might be called selective (or grudging?) participation in the affairs and problems of the region. Such an approach, to be successful, would call for very shrewd judgement, quite a lot of luck, and a readiness to abandon policies to which we attach some importance. (Myanmar and North Korea are current examples of countries which have greatly restricted their outside contacts.) How might this work for New Zealand?

In the area of trade and finance, if this country is to continue to produce, to export and to import more or less as now we must accept most international conventions and regulations. (By way of example, currency convertibility is governed by Article VIII of the International Monetary Fund Articles of Agreement; trade practices and intellectual property rights by the World Trade Organisation; banking supervision by the Bank for International Settlements. Even the placing of communications satellites in orbit is managed by the International Telecommunication Union of the United Nations.)

Operation of ships and aircraft, or electronic communications, requires adherence to many international conventions.

Failure to observe the growing number of international agreements on the protection of the environment or control of pollutants would be likely to provoke strong criticism and, perhaps, refusal to admit New Zealand agricultural and horticultural produce.

Continuing membership of the United Nations would of course entail certain responsibilities: members must honour the terms of the Charter, accept decisions of the General Assembly or the Security Council, and pay their assessed dues. (Whatever their criticisms of the U.N., would New Zealanders seriously contemplate withdrawal?)

It would, however, be possible to refuse to acknowledge for example the jurisdiction of the International Court of Justice.

Relying on its geographical situation, New Zealand could decline to become involved in any collective security arrangements, presumably in the expectation that others would be prepared to set up arrangements which would have the effect of preserving peace and security in our part of the world. (It might still be possible to agree from time to time to contribute to certain peacekeeping operations.)

It does seem, however, that given the attitudes and interests of New Zealanders generally, their expectations and ambitions, and the nature of the economy, there are as a practical matter few areas of international collaboration from which we

could withdraw without some disadvantage. Moreover it can be expected that as the trend towards greater interdependence and further globalisation continues in the rest of the world the attractions of and the pressures for active participation will only increase.

Certainly there are today those who appear to favour a 'closed' economy, which they claim would protect the citizens from the assumed depredations of overseas financiers, businessmen or speculators, but this is a rather different issue. Though one can readily enough imagine legislation which would put limitations on overseas investment or the repatriation of profits, such rules would not be likely to interfere with other international arrangements, which were on the whole expected to work to the advantage of New Zealand business. We might nevertheless be depriving ourselves of the potential benefits of foreign investment capital or any associated technologies or skills.

So can we maintain our identity? New Zealanders have always been concerned about identity issues, and that is not likely to change. It is a large and very interesting subject.

Just as there are today trends both towards globalisation and towards greater sensitivity to local concerns, so it is important that individual participants in multilateral and multinational projects or associations should have their own independent opinions and attitudes, carefully considered in the light of their situations and philosophical approaches, and should be confident to speak up on matters of importance to their own country and to the world. That is one area where we can and do establish our identity.

'Internationalisation' is a rather unsatisfactory term. Its meaning is not at all precise. Nevertheless few would deny that in the last few years New Zealand has become significantly more 'internationalised' in many ways, and more involved with and open to the world. Most of our activities and our people have been affected, and by and large we have benefited.

**Roger Peren**

**-Biographical Notes-**

Roger Peren was born in Wellington in 1925 and educated at Otago, Victoria and Oxford. In 1947 he joined the then Department of External Affairs, and subsequently had considerable experience of Asian and South Pacific affairs and the United Nations (in both New York and Geneva). He was head of mission in Singapore, Jakarta, Geneva and Tokyo. Since his retirement in 1987 he has been Director of the New Zealand Centre for Japanese Studies at Massey University, which provides a focal point for the development and study of the relationship with Japan and promotes Japanese studies in the universities and schools.

# The New Zealand Economy in 2020

Murray Gough

Two issues will have a disproportionate impact on the New Zealand economy over the next 25 years. The most pervasive will be the achievement by hundreds of millions of people in Asia of living standards comparable to our own. And partly as a consequence of this, and perhaps as yet barely recognised, we will see tourism emerge as our dominant earner of foreign exchange.

New Zealand has taken 150 years to evolve from a colonial dependency to a fully independent free trading nation. This economic evolution has run in parallel with - and in many ways driven - our growing maturity as a nation.

We are now in the fortunate position of living in an independent and relatively well managed economy, with the flexibility to adjust quickly to new opportunities. The trauma of the past decade of restructuring has created an unusually high national understanding of economic issues, making any significant reversal of rational economic management unlikely - at least until the generation which learned the lessons from the 1970s and 80s ceases to dominate.

There may well be temporary reversals. MMP for example is clearly a two-edged sword, making change difficult but increasing the risk of instability. Nevertheless it is hard to imagine that we will quickly lose the economic sanity we have so recently gained.

If we can expect reasonably sound economic management, what factors are most likely to affect the development of our production and trade? Global, regional, and domestic influences will all play a part. But with the small open nature of our economy it is the global and regional issues which will have the greatest influence.

## *Global issues*

The most important global factor will be the widespread acceptance and adoption of sound economic management principles. Communism has been tried, and failed!

The trend is already well established, and we are seeing sustainable growth in country after country. In our own region it is most clearly visible in the tiger economies of Asia. We are becoming aware too that the potentially enormous economies of China and India are also on the move. A similar picture is seen in Latin America, and appears to be emerging in the former communist nations.

To the extent that the already wealthy economies of the United States, Europe and Japan may move more slowly towards better economic management, we could

well see a different table of wealthy nations by 2020 than the one we are currently familiar with. Even if per capita relativities still leave the older economies on top, America's position as the largest economy in the world will be challenged by China, and perhaps India as well.

An important consequence of better economic management is that the present trend towards freer international trade is likely to continue. Regional trade agreements, and the global agreements under the World Trade Organisation, will reduce trade barriers to relatively minimal levels. It is unlikely that even by 2020 agricultural trade will be totally free, but such restrictions as remain are unlikely to have any significant effect on New Zealand's ability to earn a full and fair value for its food and fibre products.

The same influences will see capital become an even more freely tradeable international commodity - with only minimal restrictions on the ability of holders to invest where and when they choose. Governments will legislate to protect their tax bases, particularly in transfer pricing, and to ensure sustainable use of resources in the interests of citizens; they will also develop effective laws to enhance competition and avoid the acquisition of undue market dominance. But otherwise, capital will flow freely to the most attractive global opportunities, with clear implications for economic management in those countries seeking access to it.

Technology and automation will contribute strongly to growth in global wealth, and result in rapid expansion in service jobs at the expense of manufacturing. Growth in wealth in turn will lead to more (not less) recognition of the importance of environmental management, and legislation to ensure investment in that direction. It will also lead to greater leisure opportunity and a huge expansion in cultural, sporting and travel activities. The last of these will have a major impact on countries which are perceived to be attractive tourist destinations.

Increasing population and growing per capita wealth will put pressure on the world's resources. Offsetting this pressure however will be continuing technological advances. More efficient food production will be able to feed the growing world population. Better education of the labour force, more flexible work practices, production automation, and information technology will provide an expanding volume and variety of goods and services - more than sufficient to meet the vast increase in global consumption which lies ahead.

### ***Regional influences***

These global factors will also be the dominant influences in our own region. More specific to our region though will be the radical change in living standards of the enormous and still growing populations in Asia.

These countries are unable to produce as efficiently as New Zealand the temperate climate food and fibre products in which we already enjoy a global competitive advantage.

Japan and Korea have demonstrated that growing wealth leads to a steady expansion in demand for milk, meat, fruit, and forest products. Japan's per capita consumption of cheese, for example, continues to grow - but is still less than one-tenth of European levels. To increase to European levels would require more milk than New Zealand's total production to supply the Japanese market alone!

Technology will ensure the world is adequately fed, but it takes several kilograms of grain to produce one kilogram of beef or cheese. Demand for food quality improvements (more milk and meat, less rice) and population growth are likely to maintain upward pressure on food prices.

### *Domestic issues*

New Zealand's population by 2020 will be close to four million. While the workforce will be much the same proportion of the population as today, there will be a strong trend for that proportion to reduce as the baby boom generation ages. The workforce itself will become more difficult to define as the whole concept of work becomes more flexible - and part-time work, working from home and intermittent periods of work become increasingly common.

Population growth will see greater domestic consumption of our food and fibre products, and steady pressure on our productive land from expanding urban needs. Technology will continue to provide increasing output for any given land area, but the lack of good quality land for development will limit growth in food and fibre export volumes to levels not much greater (in aggregate) than those we already achieve.

Of significant economic impact also will be the growing multiculturalism of New Zealand. Our ability to capitalise on the new wealth in Asia will be enhanced by the personal contacts and trade linkages of a growing Asian component in our immigrant population.

Of similar importance will be the degree to which the Maori and Polynesian sections of our population acquire the skills and motivation to become full participants in the New Zealand economy; failure in this will carry a heavy economic and social cost; success will provide a significant economic boost.

### *Directions*

If we accept that the environment will develop in the directions outlined, what are the implications for our production and trade?

Clearly a great deal of economic activity will remain as it is at present. While their nature and content will change, the largest proportion of our workforce will continue to be employed in providing those products and services which can only be provided locally - health, education, professional services, retailing, distribution, transport, communications, energy, entertainment, as well as production and processing of resource-based products.

For the rest, however, we need to consider what our international competitive advantages will be by 2020. Obviously there will be a wide range. Some we will create ourselves, as a result of ensuring our economy is open and stable, and our workforce educated, energetic, and motivated. Some will derive from our history in terms of expertise in producing and marketing our traditional resource-based products. In manufacturing, however, the trend towards importing is likely to continue. Volume-efficient plants in Asia (and elsewhere) coupled with lower wages and globally competitive quality, efficiency, and technology, will make it difficult for many New Zealand manufacturers to be competitive. Manufacturing in New Zealand will become more focused on low-volume, technology-based products, products with intellectual as opposed to physical labour content, and purpose-built products to meet domestic needs.

### **Two key areas of fundamental competitive advantage stand out:**

- Tourism - as a tourist destination New Zealand is attractive, scenically, climatically and culturally, particularly to those living in the Asian region; and
- Productive land - New Zealand's relatively high ratio of productive land to population provides not only low cost food and fibre for our own needs, but also gives us the ability to capitalise on growing world demand for these products.

Considering the first of these in more detail, New Zealand's efficiency advantage extends only to sufficient food and fibre to meet the needs of some 25 to 30 million people consuming at our current levels. There is a limit to how far our competitive advantage in these primary industries can actually take our economy. Global demand for these products will unquestionably expand, but the international price will rise only to the point where other countries are attracted to supply; there is a limit to the volume New Zealand is able to efficiently produce. Nevertheless, rising returns from these industries will continue to provide an extremely sound base to our economy.

Many will argue that greater value should be added in New Zealand to our primary products. The argument is valid with respect to the basic initial processing, which is usually most economically done at the point of production. However, the need for rapid response to increasingly detailed customer needs, and the relatively high cost of labour in New Zealand (reflecting our standard of living), mean that it is

often impracticable, undesirable, or simply unprofitable, for many value-added activities to be undertaken prior to export.

Of all the competitive advantage issues, the greatest impact on our economy is likely to come from tourism. Tourism earnings in 1996 will exceed five billion dollars, a figure substantially in excess of our next largest export earner, the dairy industry. Tourism earnings are expected to reach nearly ten billion dollars by the year 2000.

On a conservative assumption of five percent growth a year, earnings would reach 25 billion dollars by 2020. A faster growth rate than five percent is likely - visitor numbers have recently been growing at seven to ten percent a year; higher spending per visitor is pushing earnings upwards at an even faster rate.

New Zealand's total export earnings, excluding tourism, are currently around 20 billion dollars a year. The scale of projected foreign exchange earnings from tourism is such that this industry is likely to have a greater impact than any other on the strength of our currency - and as a consequence, on the future shape of our economy.

Asian visitors have more than doubled in just three years - to over 300,000 in the year to March 1996. To many Asians, New Zealand provides an extremely attractive travel experience - an uncrowded country, safe and affordable to visit, culturally different, and with a great variety of scenic and activity experiences. With this, and with hundreds of millions in Asia acquiring the wealth and opportunity to enjoy overseas leisure travel, New Zealand's challenge is more likely to be the intelligent management of the flow of tourists, rather than the difficulty of attracting them. Sustainable management of the environment - both for citizens (to avoid being overrun by the consequences of tourism) and for visitors (to ensure that the quality of the experience is maintained) will be vitally important. The degree to which New Zealand remains open and welcoming to tourists, particularly those from Asia, will be a critical factor in the success of this industry.

The type of tourism New Zealand is likely to develop will not be based on low labour cost, but the industry will nevertheless be a very significant employer of labour. Capitalising on the tourism opportunity will not only provide employment opportunities, but will also add significant support to the value of the kiwi dollar. These factors will reinforce the trend for other economic activity in New Zealand to move towards services and those production activities which can cope with both high labour costs and a strong currency. For the primary industries the effect of tourism supporting a higher dollar is likely to temper what would otherwise have been significant improvements in profitability.

### *Choices for the future*

New Zealand faces some critical choices in the development of its economy. We have yet, for example, to agree on how far we wish to become a part of Asia, to welcome and encourage increasing contact with that region. We need to agree on the extent to which we are willing to allow tourism to impact on our way of life, and on the degree to which we are prepared to invest in maintaining and improving our environment. We also have the choice of faster or slower development according to the degree to which we accept foreign investment - and there is the broader question of whether we remain an open economy, or seek to protect those industries which are unable to remain competitive. It is reasonable to assume that recent trends will be maintained, but there can be no certainty.

Drawing the key themes together - an open efficient economy, growing demand for the products of our primary industries and tourism- suggests that New Zealand can potentially look forward to an enticingly attractive future. Growing wealth in Asia will have a dramatic effect on the world economy. With our small population we probably have more to gain from that than any other country not directly undergoing the change itself. Our ability to capitalise on the opportunity however will not be without challenge.

Will we succeed? There is good cause for optimism. We have successfully completed the transition to full economic independence, and we have learned a great deal about how to more successfully manage our economy. Given our competitive advantages, it would be a cautious investor indeed who would not back New Zealand to be among the world's most successful economies by 2020.

### **Murray Gough**

#### **-Biographical Notes-**

Murray Gough was born in Invercargill. He was educated at Hutt Valley High School and Auckland Grammar, and obtained a commerce degree from Victoria University. His early career was in marketing and information technology with IBM and the New Zealand Dairy Board, followed by a term as head of the Dairy Board's finance division. In 1979 he was appointed as Regional Director of the Dairy Board's UK and European companies, based in London. Following return to New Zealand in 1983, and divisional management responsibilities, he was appointed Chief Executive of the Dairy Board in 1985 and retired from this position in 1992. Murray Gough holds directorships in a number of major New Zealand companies, principally involved in the processing and export of resource-based products. He is married with three children, enjoys travel and golf, and sees a bright future for New Zealand.

# Work

Heather Newell

Once upon a time some people dreamed of a future where the human race had been released from the drudgery of work by automation. In the meantime the more practical amongst us fought hard to win the right to a 40 hour working week.

In the 1970s we still held this 40 hour concept dear to our hearts. A two day weekend was seen by workers as sacrosanct, and for an employer to breach the limits of the 40 hour week meant heavy financial penalties in the form of overtime.

But by the 1980s economic changes had started to bite into New Zealand's social structure. Unemployment, virtually unknown in the early 1970s, was growing. When some major employers in the car assembly industry mooted a four day week to combat overproduction, the positive thinkers got into high gear. This could be turned into a benefit for workers. A four day week would give people more quality time to visit aged relatives, to work voluntarily for the community, to pursue worthwhile hobbies and to spend time with families. A discussion even developed within the Education Department as to whether we ought to be training people how to cope with increased leisure time.

Computerisation was heralded as another release from the drudgery of work. With computers, we could become more efficient. Essential administrative work would be done in a shorter time. By harnessing communications technology people could work from home and turn their commuting time into recreation time. Work hours could be flexible to allow women, in particular, to spend quality time with their children. Boring, tedious and manual work could be done by automation.

Yes, it was an idealistic option that ignored an important sociological fact. The fact is that people feel the need to work, not just for economic reasons, but for self-esteem and identity. And this is not just a Protestant determinism. One need only look at the Japanese culture to see the equal importance of work in that society.

If one accepts that the need to work is a given, what will be the work choices for New Zealand society in the future?

## *A new hegemony*

Let's start our look at the future of work by examining some relevant aspects of the economic structure of our society in the latter part of the 1990s.

Although historically many New Zealanders took pride in their creation of a welfare state, a new, ideological hegemony has emerged in the last decade. The state backs off as a universal provider of services and allows market forces to

determine the economic environment, within certain parameters of course. The community itself is required to become more responsible for the services it determines to be important.

There have certainly been economic benefits from this approach. The inflation rate has been held in check, unemployment has, at least currently, been stabilised, New Zealand products can compete in the world market, and the growth of technological developments means we no longer need to suffer from the geographic constraints of former years.

The downside of this hegemony, however, has been the creation of a new society with a growing gulf between those who have benefited from the market-driven economic policy and those who were unable to jump aboard the spinning carousel. Those who lack knowledge-based skills have consequently fallen outside the workforce and must eke out an existence from a shrinking welfare budget. Those who were able to retain work are now working harder and longer as they cling to what they have.

### *Threats and opportunities*

Take retailing as an example. A liberalisation of the retailing legislation and the Employment Contracts Act were essential, we were told, to ensure the viability of the sector. More people would be employed to cover the longer opening hours. Lower wage rates would allow more competition into the market which in turn would benefit the consumer. Some of those predictions have eventuated. On the other hand, the reality for owner-operated businesses is that the proprietor now has to work longer hours. Chris and Jane, a young married couple with toddler Jake, work in their own retail shop six days a week, plus a late night on Friday. During quiet times in the shop Chris manufactures the products they sell. Together they administer their accounts, complete GST requirements and chase bad cheques. Six times a year they take a stall at a trade fair to broaden their market. All this hard work ensures they earn just a little more than the equivalent of the dole.

Some workers have been well rewarded for their toil. At least three New Zealanders earn more than a million dollars a year. We applaud and celebrate hard working entrepreneurs like Susan Barnes whose telemarketing business has been sold to an American conglomerate for \$40 million. Our success at the America's Cup has increased the reputation of New Zealanders working in the fields of computer software development and technical innovation.

### *What's in our future?*

With this background we look to the future of work.

There are many options for work in the future but broadly they can be broken down into three categories. Opting in, opting out and making the best of both worlds.

### *Opting in*

Many people will see the future of work as one with little choice. The future of work for them will be much the same as today, particularly if they are in paid employment. Hard work, long hours and plenty of stress are the key ingredients, no matter what sector of society they are in. Naturally we'll see a different type of commercial organisation, probably with a much flatter structure. Its mission might be different and its outputs certainly will be. Manufacturing-based industries will be replaced in the coming information society by organisations which reward knowledge and intellectual capital. Information and knowledge-based skills, rather than materialistic products, are likely to be the new commodities. Those who can contribute information and knowledge skills will be able to evolve to cope with this moderate change.

It will be in the manufacturing, construction and engineering industries that the most radical change in work will take place. Automation, robotics and computerisation will continue to cause a major shift away from manual production, and this will be of great significance to many Pacific Island immigrants who came here specifically to work and earn money from our manufacturing industry.

Until fairly recently a factory relied on people to work throughout the production chain. Now the production of a new washing machine is initiated by the retailer's computer which sends an electronic order to the factory. This in turn activates the production line. From the time of purchase to the restocking of the retail outlet the most essential human activity is to drive the delivery vehicle.

### *Opting out*

Either by choice or by necessity there are going to be a number of New Zealand residents who will be outside the workforce. For many of these the concept of work will be alien. Even though the current government is placing a high priority on increasing the work skills of young people, there are already people in their twenties who have never worked. And however many work schemes we initiate, however much money we throw at the problem, there are always going to be people who cannot fit into 'work.'

For many it's just a question of time. In time they will come to see work as important. In time someone will offer them an appropriate job. In time they will find that they need a regular income. In time someone will create a work scheme for them. For others it's an impossible request. The inability to socialise appropriately, major disabilities, behavioural problems, lack of skills or motivation

are just some of the problems that disable many long-term unemployed. Some people are either currently unemployable or will never want to work in the economy. Will our society continue to provide them with support?

Opting out by choice may be harder in the future if the state continues to reduce its social welfare role. In the middle of this decade one can still return to the country or to the beach or to one's marae, and live in spartan circumstances. Will that be possible if the dole is reduced still further or even discontinued?

### *New work*

There is a compromise for some people. One can opt out of the rat race, city environment through telework. In fact telework is nothing new, but to date there has been little incentive for employers to adopt it as a valid working policy. Real estate has been relatively cheap in recent years, traffic problems in New Zealand are still relatively minor, and administrative workers are not in short supply.

As we move towards an information society, however, certain skills are going to be highly sought after and the people with those skills will be able to call the tune. With sophisticated information technology they can easily communicate with 'head office' from their preferred working location. The benefit for the worker is freedom and flexibility. The benefit for the employer is retention of skilled labour and the possibility of a reduction in overheads.

An increased teleworking labour force will have wider implications. If skilled, and therefore highly paid people are working outside of cities, regional economies are likely to flourish in the servicing of these teleworkers, which in turn may provide work opportunities for the less skilled, and consequent redistribution of wealth.

A more evolutionary change will be in our attitude towards unpaid work, which at the moment is largely sustained by women. Unpaid work includes essential tasks such as caring for children and the elderly, supporting those who are in paid work, and volunteering. Alongside those 'jobs' we should also count work done within a household such as child bearing and raising a family, administering the household budget, providing food and clothing and caring for sick family members. Traditionally these activities have been undervalued and are not counted as part of the economic product of a society.

James Robertson in *Future Work* (1987) goes as far as saying:

"In the industrial age men's work has become more abstract, impersonal and instrumental than it was in pre-industrial times. Men have typically shuffled things around in offices, they have shuffled things around in factories, they have shuffled things around in banks and they have shuffled things around in universities.

Women, on the other hand, have been directly concerned with meeting the needs of people."

As the state continues to withdraw from its traditional role of provider of welfare services, so the community as a whole is starting, albeit slowly, to value those who give unpaid time to meeting the needs of people.

Non-profitable work will be on the increase if our current work ethic remains as is. Some authors such as James Robertson and Charles Handy, *The Empty Raincoat* (1994) have broadened the traditional description of work to include non-paid and unprofitable activities.

Robertson suggests that the state ought to provide "an unconditional basic guaranteed income, under which all citizens rich and poor, men and women, old and young, will automatically receive a weekly basic income from the state." This he argues would result in a socially equalising effect. Work options increase, therefore, to include voluntary work, self-advancement through education, productive leisure, family responsibilities. Charles Handy divides these work options into four categories; paid work, gift work, study work, and home work.

As a future option for New Zealand this has its weaknesses. New Zealand already has a guaranteed minimum family income but it's not the universal wage given to everyone. It's restricted to those with children. It's a family, not an individual benefit, and only those paying income tax can receive it. New Zealand has moved away from the universality of state funded welfare. Even if a basic guaranteed income was made available to people, would they really be able to afford Handy's other work options?

### ***Conclusion***

We can be quite sure that, in the near future at least, most New Zealanders will not be released from the drudgery of work. However idealistic it sounds, most of us would not be happy unless we were engaged in some form of productive labour. What is also certain is that we are a long way from becoming a society in which most people are sufficiently free of economic constraints to make choices about work along the lines put forward by Handy.

However there will be choices for those who have specialised skills, particularly choices of relocating in another region or country. There will also be a choice for those who have little in the way of skills - either join the service sector or opt out completely.

**Heather Newell**

**-Biographical Notes-**

As Chair of the Upper Hutt Employment Trust for three years Heather Newell is interested in the practical impact of work in the future. Aside from working in her own public relations consultancy and as a fundraising trainer Heather has a keen interest in the voluntary sector both as a professional and a volunteer. She devotes her personal time to the New Zealand Futures Trust and is a Council member of the Fundraising Institute of New Zealand.

## **New Zealand health futures\***

George Salmond

So far the 1990s have been years of turmoil for health services in New Zealand and internationally. Ageing populations, new technologies, rising costs and increasing public expectations are placing enormous pressure on publicly funded health systems. Fundamental questions are being asked in all countries about how health systems are organised and services financed and rationed. What are the roles and functions of a health system? What care should be publicly funded and accessible to all as a right of citizenship? To what extent should those who can afford to pay be required to finance their own health care? How should publicly funded services be rationed and targeted to those in greatest need? How can costs be contained and resources distributed more equitably and used more efficiently? How can health be promoted as well as health services? These are dilemmas with which all countries must grapple.

### ***The New Zealand reforms***

New Zealand has for most of the last decade been at the international forefront of health sector reform. In keeping with the structural adjustments made to the economy generally, the health sector changes have been radical and continuing. The changes foreshadowed by the incoming National Government in December 1990 and introduced in July 1993 were not initially so much about health as they were about the financing of health services. The prime objective was to reduce government spending in the health sector. The aim was to create a health system largely based on a social insurance model with competitive purchasing and provision of services. Those who could afford to pay more for care would be required to do so. Those who could not, after means testing, would have their basic needs met by the state.

In keeping with the political style of the last decade the changes were introduced quickly with little open-minded consultation with either service providers or the wider public. Key components in the design such as health care plans and explicit definition of core services proved to be unworkable. Other elements, such as the separate purchasing of public health services, were modified significantly along the

way. The arrangements now in place are not what the architects of the reforms originally envisioned.

Despite the high social and financial costs, the health sector reforms have not advanced many of their stated objectives. In some areas there may have been significant gains in productivity. Whether or not these are due to the reforms or would have been achieved without them is debatable. There may have been some gains in the equitable allocation of resources, particularly to Maori. These have, however, been overshadowed by the health effects of increasing poverty in some communities. There are now signs of increasing inequity in health status and in health service use between the relatively affluent and the relatively poor in New Zealand society. For those with the education and discretionary income necessary to purchase the services they need and want, prospects are bright. For those of lesser means, and that is most New Zealanders, the rising personal cost of care is cause for concern. For the poor, obtaining ready access to good quality health care is a source of real worry. This in itself is damaging to health. Is this the sort of society we want in this country? Is this the sort of future we want for public health and for the provision of health services?

Public opinion on the reforms is divided. Those who favour a health system based on a universal entitlement of all citizens to publicly planned, funded and provided health care are particularly critical of the changes. At the other end of the spectrum are those who believe that the full benefits of moving to a more market driven health system will not be achieved until the scheme, as envisioned by the architects of the reforms in 1991, is fully implemented. In the middle ground most people are weary of the changes, tired of the endless political debates and 'bad news stories' in the media, and hope for less combative and more co-operative approaches to the provision of more accessible, culturally appropriate and consumer-sensitive health care.

In all of this little attention has been given to the social values which underlie community attitudes towards health and health service delivery. Apart from involvement in occasional needs assessments and associated consultation, communities have had little tangible and ongoing encouragement to become involved in health promotion and health service delivery. Communities have not been directly and actively engaged as integral parts of the health system. Nor has much weight been placed on the values and sense of vocational commitment that many if not most health professionals bring to their work. At all levels the changes seem to have divided and demoralised people rather than enhanced social cohesion and unity of purpose.

Perhaps it is time to fundamentally rethink our health future?

*Health futures*

Health futures provide a set of tools to allow more effective exploration of what might happen in the health sector. They help us clarify what we want to happen, what we want to create. The present trends are not inevitable. The future is not fixed, something we can do nothing about. Such passive thinking leads to apathy, to feelings of incompetence and lack of control. What is needed at this time is a much clearer sense of a shared vision as to what health is all about in our society and what we want from, and are prepared to contribute to, health services. What we need is a vision which embodies not only the practicalities of what the health technologies have to offer and resource limitations but also the values and the aspirations we as New Zealanders have for our own health, the health of our families, our communities, our society as a whole, even our planet. Without a guiding vision the divisions and problems presently evident in our health system seem certain to continue.

For a start it is important to distinguish between health futurism - the future for health - and medical futurism - the future for medical services. The future for health concerns itself with the future state of our health and well-being and the factors that will influence our future state of health. Key health determinants include social, environmental, economic and political forces together with biophysiological and genetic or human biology factors. These factors largely both determine our future state of health and influence the future shape of health services.

The factors that will affect the future of health services are going to be dominated primarily by technological, professional and fiscal forces and by our state of health. How healthy we are and what health aspirations we have will determine what use we make of, and what demands we create individually and as a society, for health and health services. Both futures will be very much influenced by our values.

In the past medical considerations have tended to dominate our thinking and discussion of health futures. While forecasts and visions for the health professions and health care delivery are essential, it is important not to lose sight of 'health' as the primary objective and become preoccupied with the future for medical services. Health care in the future must reflect societal values and be determined by societal futures, not the other way round. The medical tail must not be allowed to wag the health dog.

There are a wide range of approaches to looking into health futures. Broadly speaking these can be grouped into trends, scenarios, visions and strategies. Trends record, for discrete topics, changing patterns over time. Important health trends include disease prevalence, therapeutic advances and health care costs. A wide array of quantitative and qualitative methods can be used to develop health trends.

Trends can and often do move in conflicting directions. Scenarios are compilations of trends into different images of the future. These images enable us to consider a broad range of future possibilities given different trends and sets of assumptions. Scenarios invite us to think about our relative preferences. In any set the scenario considered most likely may not be considered the most desirable. Typically in developing and studying scenarios we tend to focus most attention on the threats and opportunities associated with what is perceived as the most probable future. Much more time should be spent in thinking about what ought to be, or what could be, a vision for the future.

Whereas scenarios are 'futures for the head,' visions are 'futures for the heart.' To be effective, visions must touch and move us. Scenarios provide flexibility in the face of uncertainty. Visions inspire us, commit us and give us energy and something to work for. For a vision to be effective two conditions must be met. First, it must be developed with and owned by the principal stakeholders. They must be willing to stretch themselves and their organisations to make the vision happen. Second, those involved must believe that, by their own efforts, they can make it happen; a shared vision can become a palpable force for change when people truly believe that they can shape the future.

### *A health vision for New Zealand*

The New Zealand health sector currently lacks a clear health focus. In a strategic sense it has lost the main plot. Economic rationalism has been the driving force behind efforts to achieve greater efficiency in the production of medical outcomes. The focus has been on medical rather than health futures. Regularly there is talk of the need for more of a public health approach. Public opinion when tested regularly favours such an approach. But, despite the talk, there has been little concerted action for public health.

Lack of a broadly based national health planning forum, or some other organised entity, to assist the government to set a strategic direction for the sector is a serious problem. Working from a health futures perspective, such an entity should be charged with the tasks of identifying and studying the relevant trends, of building and analysing the relevant scenarios, of publicising and encouraging wide and open debate on those scenarios, of involving and facilitating the principal stakeholders to reach consensus on a shared vision for the system and of creating the means where by that vision is captured in a national health strategy for promoting health and for purchasing and providing health services.

The nearest thing that New Zealand currently has to such a planning forum is the National Advisory Committee on Health and Disability. This committee started life in 1992 as the National Advisory Committee on Core Health and Disability Services. The Committee's prime task was to advise the Government "on what health and disability support services the Government should ensure are purchased,

with due respect to limited fiscal means, in order that people have access to effective services in fair terms." The Committee's early endeavours were therefore directed to trying to define core personal health services. When this proved impracticable the Committee turned its attention to the development of guidelines for the provision of personal health and disability services. In 1995 the Committee was renamed the National Advisory Committee on Health and Disability and had its terms of reference broadened to include public health services. Given these terms of reference and the associated key tasks, the Committee appeared to have the necessary mandate from the Government to address those more fundamental issues which bore directly upon New Zealand's health future. At this point two questions are important. The status and purpose of the Committee subsequent to the 1996 election has yet to be clarified.

### *An early health futures initiative*

If the health leadership role does fall to the National Advisory Committee on Health and Disability, and if it decides to use a health futures methodology, it need not start from scratch. The first New Zealand work on health futures was done nearly ten years ago by the Department of Health. In June 1987 a futures health scenario project was initiated to:

"explore and integrate the range of possible trends and events (national and international) which will impact upon the future of health services in New Zealand to the year 2000, and to present these using scenarios.'

Four task forces were established, each comprising a diversity of members from across the health services and also from outside of the health sector. More than forty people were involved.

In total the task forces generated 16 scenarios. Each represented a plausible New Zealand future and reflected the likely shape and nature of health services within that society. Scenarios were developed to take account of the country's health status profile, economic performance, political philosophy, level and nature of state involvement in health and health services, value systems in relation to biculturalism and equity in the allocation and use of health resources.

Debate and reflection by the task forces on and around the scenarios were used to produce a vision statement for New Zealand's health services to the year 2000. Unfortunately this work was not formally published but a decade later the process and conclusions remain interesting.

Many of the scenarios were visionary in nature, setting out a perceived ideal state for health services for the future. Two of the strongest common themes were first, the need to see 'health' as a much wider concept than the absence of disease and for health sector activities to reflect that broad philosophy. Second, was the desire to

see a truly indigenous health system for New Zealand. We should seek out our own solutions to our own problems, and not uncritically adopt models and practices from overseas.

In developing its health vision for the future the task forces identified five guiding principles for an ideal health service in New Zealand. These were:

### **1. *Holism***

'Holism' to the task forces was about recognising linkages and connections between:

- The spiritual (wairua), mental (hinengaro), physical (tinana) and family (whanau) dimensions of health
- Social and economic circumstances such as unemployment, poverty and health
- The members of teams of caregivers from different disciplines
- Public policy areas such as education, housing, welfare, justice, the environment and health

### **2. *Empowerment of individuals and communities***

Empowerment is about enabling individuals to become more fully involved in, and responsible for, their own health. This applies not only to personal health promotion and treatment services but also to the advancement of health and the provision of services in community settings.

### **3. *Cultural and social self determination***

This implies that cultural and social groups in New Zealand will be given greater freedom and greater access to the public resources needed to meet their own needs in their own way.

### **4. *Equity of access to care***

Within the resources publicly available, all New Zealanders should have equal access according to need. No New Zealander should be deprived of basic health care because of cultural insensitivity or inability to pay.

### **5. *Devolution***

Decision-making about the allocation and use of health resources should be moved away from the large health institutions and towards those who purchase and provide care in community settings.

The task forces went on to describe how they saw these principles being applied in the development of national and regional services, balancing the provision of primary and secondary care, planning and developing the health workforce, women's health, Maori health, the care of people with disabilities and in environmental health. They further reflected on how the vision and the five guiding principles might impact upon the behaviour of New Zealanders - the way we see ourselves and the way we are seen by, and relate to, others. New Zealanders, it was suggested, have a strong sense of collective responsibility in matters of health and education. We show concern for the socially disadvantaged and for minority groups. Discrimination, it was suggested, fades as we increasingly accept and value diversity in life styles and attitudes.

In exploring alternative pathways towards its preferred health future the scenario project group identified three broad options:

Option 1. Public funding and private provision

Option 2. Private funding and private provision

Option 3. Public funding and public provision

After a careful exploration of each of these options, and in the light of its two key themes and its five guiding principles, the group reached the following conclusions.

"The direction in which New Zealand is currently headed is towards option 1: public funding (but with a private insurance component) and private provision. The favoured alternative is the establishment of regional health authorities. This pathway allows the five guiding principles to be met. Many of the participants in the scenario project favoured this approach provided all the funding was public. However, it may be that once provision was fully privatised, funding would gradually follow suit leading eventually to option 2: complete privatisation. This option is less likely to promote the five principles, particularly equity. Although the other principles may be met for some consumers, this option is unlikely to ensure that they are all met.

Option 3: a completely public health service, is most likely to guarantee the philosophy of universal care, with which most participants in the scenario project were sympathetic. It could also potentially allow the four other principles to be met, although this would depend upon government policy at the time. The system would need to be very carefully and imaginatively managed."

These conclusions are particularly interesting in the light of the health sector changes which have taken place since 1987.

## *Future prospects*

This early New Zealand work on health futures was, at the time, quite innovative. Most of what is now an extensive and rapidly growing international literature on health futures has been produced in the last five years. An important health futures milestone was reached internationally when in July 1993 the World Health Organisation held and reported on an international consultation on health futures - 'Health Futures in Support of Health for All.'

Did those who participated in the 1987 project get it wrong? Were the vision and the five guiding principles they developed significantly out of step with how New Zealanders saw health and what they wanted their health services to be? Have the attitudes and aspirations of those interested and involved in the health sector changed significantly since 1987?

History shows that the scenario project group correctly identified the direction in which the health sector was moving at the time and correctly identified the consequences, particularly the equity consequence of that movement. In finally opting for a publicly funded and provided health system as the approach most likely to meet the requirements of the shared vision the group probably reflected the view of most serious health sector thinkers at the time. What the group did not record, and probably did not know, was that, at the same time, there was another group of government advisers who had quite a different vision for the future of the health sector. In the event it was advice from this group that was to influence government policy for the next decade.

It is clearly time to reactivate the debate on possible health futures. In terms of the existing health sector structures the National Advisory Committee on Health and Disability appears to be best placed to lead the way. The methods available to study health futures have developed enormously in the last five years and are in use in Australia. This time it would be good if an open, widely publicised and reasonably well resourced health futures project could be mounted. It would also be good if all of the principal stakeholders were involved in the process and included in the decision making.

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\*This paper has been edited to fit the format of *Our Country: Our Choices* and all references supplied by the author have been removed. The author used material from the report 'Health Futures in support of health for all' edited by Ann Taket and published by WHO in 1995 - in particular material contributed by Clement Bezold and Trevor Hancock.

## **George Salmond**

### **-Biographical Notes-**

Professor George Salmond is an Otago medical graduate, trained as an internal physician, research worker and specialist in public health medicine. For more than a decade he directed the health services research and planning activities of the Department of Health. In 1986 Dr Salmond was appointed as Director-General of Health, a position he held for five years. In 1993 he was appointed to head a Health Research Council of New Zealand-funded Health Services Research Centre which is a joint venture by the Victoria University of Wellington and the Wellington School of Medicine.

## **Education**

Harvey McQueen

Education is the human attempt to put systems and resources into place to assist learning - in some societies, to control it. Learning is something we all do. Learning has always been lifelong, and increasingly education is seen as such. Once the family was the chief educative source. Last century, the nation-state took over this role. Now education is available in new interactive ways in a global multi-media world. Virtual reality and artificial intelligence are just around the corner.

To predict 2020 one needs to explore the past. What education system would one design if one had a blank slate - no, a clear whiteboard; no, not even that, an interactive computer linked to Email? Education follows wider societal forces and trends. A minor example: until recently our school terms were based upon the lactation cycle of the cow.

At the macro-level, from the Renaissance, that age of classic individualism, students sat at the feet of, or learned their trade from, the master - the apprentice model. After the Industrial Revolution, a factory-style processing of knowledge and of pupils developed, in schools and universities as well. The education bureaucracies and structures developing out of the 19th century reflect their origins in it, as well as the state paternalism of this century, which was a response to its excesses. Now we have an Information Revolution, mind-boggling in its collapse of distance. Computers and telecommunications not only transform our concepts of distance but also our concepts of learning. The enterprise building blocks of the future appear to be horizontal multi-task, net-working teams, forming and reforming. Education, centred around learning centres, will follow suit.

The assembly line broke work into its component parts, to allow mass production. This model produced learning systems. The information revolution model offers learning opportunities. Such forces, exciting and threatening, demand a responsive and flexible system. Some see the end of present educational institutions. I don't. Ultimately a nation is only as rich as its human capital. This is organised around learning communities, of which the institutions are but one example. But institutions must change, and indeed are changing.

The recent education reforms have put in place structures which, if allowed to run without excessive tinkering, will enable institutions to be even more responsive. The shape of education in 2020 will reflect how much they have been allowed, and supported, to respond to demand. My own schooling reflected a drafting race philosophy. At each stage we were divided into winners and losers. The reforms attempt a win/win situation. The reason for my confidence is that in an MMP environment there will be fewer chances for a violent lurch back to past practice or to untested experimentation. The educational choice facing the electorate at present is one of courage - to utilise the possibilities inherent in the reforms.

Education is more than just schooling. But people think of it first as what happens in schools. Schools traditionally have four functions. First, custodial: parents wish to know their children are in a safe place. Second, skilling for work and society: children need to learn skills to enable them to take their place as useful and productive members of society. Third, passing on heritage: children need to know the significant values and shared traditions of their culture. These three functions involve age-old educative concepts of discipline, standards and sorting. The fourth function is creating knowledge and enjoyment of learning. This adds a further dimension: enterprise and innovation. Now, a fifth function has been added - a social welfare task. If children are hungry, tired, unhealthy or distressed they cannot learn well. As the family unit changes, some say in many instances disintegrates, society cannot rely upon this support as it has hitherto.

These functions are multi-faceted and often contradictory. They are repeated in various combinations in the early childhood and tertiary sectors of education. Throughout the 20th century, the state has increasingly funded tertiary education. More recently there has been added financial support for early childhood care and education. These developments in both sectors built upon the secular, compulsory and free education foundation of the 1877 Education Act. Today 96% of New Zealand school students attend state schools, including integrated schools. This percentage, much higher than in most similar OECD countries, is a special characteristic of New Zealand - a specific internal gravity.

Few 'Kiwis' query the role of the state in the school years. It is both major funder and major stakeholder. That is why the Picot report envisaged a tripartite partnership among community, school and state. Within the national curriculum framework, with a charter reflecting their neighbourhood needs, teachers deliver

learning to meet the needs of the particular students and community they serve. It is a good concept.

The debate is over the public good versus the private good of education outside these compulsory years. This debate came to a head in the late 1980s and early 1990s, as successive Governments tried to cap educational expenditure. No nation can provide a complete, lifelong education from public funding. Increasingly, the state-funded percentage looks set to decline still further. Tertiary delivery (except teacher education, where the state is almost the sole purchaser) is now demand-driven. Basically, the same competitive formula has been applied to the early childhood sector.

These arguments over policy reflect a basic tension in our society, where two prospects of freedom are precariously balanced: capitalism, the maximisation of profit; and democracy involving equity and social responsibility. Democracy assumes an educated populace - one that has moved from supervision to freedom. The education reforms aimed for more empowerment - the democratic side of education. But they also carried, via direct funding, the entrepreneurial side of our society. The partnership side assumes rights and obligations. The entrepreneurial side assumes self-generation and self-assembly.

The reforms were introduced to bring about a more efficient use of resources and the delivery of a higher quality service. Devolution of responsibility was seen as a means as well as an end. It was also inevitable. The devolution genie only got half way out of the bottle. There are now in some quarters vigorous attempts to push it back in. This centralisation/decentralisation will continue, but forces out in the world will blow the cork out again.

### ***Best practice***

Already our best educational practice is along the lines needed for the future - group work, projects, ownership of learning, skills across the curriculum, interdisciplinary studies, greater linkages to enterprise, portable qualifications, holistic learning, collaborative knowledge creation and the blurred boundaries of seamlessness. Learning to learn is crucial - the shelf-life of new knowledge and skills is short. The durability of values and attitudes is more debatable, but in a pluralistic society there is a need for tolerance as well as flexibility.

A modern nation is only as competitive as the extent to which it draws on its pool of human capital. If the choice is to exclude a large percentage of potential talent on gender, ethnic or socio-economic grounds from the advantages of a good education, this is a brake on the nation's development. Individual self-esteem goes hand in hand with national achievement. Current moves to question and shift socially constructed concepts of skill, in relation to race and gender, will, if kept positive, lead to an extension of our pool.

To educate people is to empower them and to give them the skills and attitudes to change things around them. Existing and new education institutions have the choice to increasingly tap into the fluid, chaotic force of the vast global multi-media or try to ignore it. The first choice will provide access to the structures and systems which will enable students to organise and analyse information and create knowledge in innovative ways. Skills of information seeking, sorting, storing and retrieval will need to be taught and learnt. In an age of fragmentation, educators will be in demand to produce order (and an appearance of control). But lateral communication will alter their role. Internet does not bring the end of the middleman, but it will change many functions. Increasingly the teacher will become a facilitator (this word should be seen as active, not passive - a facilitator provides and prompts choice, possibilities, alternatives, new avenues, other mentors and facilitators). Diagnostic functions will increase. Conservator or creator is a false dichotomy - teachers will still dispense knowledge and help students place it in context. Another false dichotomy is skills versus knowledge. But undoubtedly new skills and attitudes will need to be taught. Change will happen, however, at a slower pace than anticipated - educational institutions are conservative places.

The lower primary school will change less, but for a different reason: learning there is already provided appropriately. The upper primary school will change because a specialised curriculum will start sooner. A harbinger of this is the introduction of foreign language learning to 11 year-olds. Changes in the stages that follow will be even more dramatic.

Learning centres will increasingly comprise multi-aged groups. The present lockstep artificial age cohort advancement will change. People will access learning at different ages and stages as their needs vary. Curriculum delivery will increasingly be a team effort. The qualifications framework with its competency-based standards will ease credit transfer and portability of qualifications. Learning centres will tend to specialise. Kura Kaupapa schools are an illustration of the future, a marginalised group creating its own structures within the system to meet its particular needs.

Ideally these centres should have a high degree of community involvement (whether changing work patterns will enable this to the desirable level is an important question mark). Teachers will have a linking responsibility between the traditional learning environment and the community. The buildings will become less important in themselves; they will merely be the base for a whole range of learning activities. Telecommunications technology knocks down the existing walls. But people will still need to work and learn together.

The hierarchical structure of present educational management reflects its industrial origin. Management of learning centres should be collaborative and team-oriented. Much learning will be negotiated, probably on contract. Delivery will vary - it may

be to individuals, small groups or large classes. There will be an increase in marae-based bilingual or immersion learning. Curriculum content will also vary according to need, but for the compulsory years, national guidelines will remain, with the centre being responsible for the actual programme. The teachers themselves in conjunction with the local management, should be responsible for audit, review and the standards of the centres. That is a choice we have not yet made.

Learning centres will become international, not just electronically, but also in terms of location. As institutions form loose associations or amalgamate on several campuses, sooner or later they will also form ties with overseas centres or even open their own campus offshore. Increasingly, curriculum is going to become internationalised.

As people at various stages of their life need to upskill they will attend some form of learning centre. This raises again the questions of access and funding. If it is for private good only, then either the industry or the individual (or both) will have to make provision. But there is a national spin-off in terms of human capital. There is talk of a zigzag work-path (the concept of career as we have known it is over). One answer is that people will need to take out some form of insurance to cover upskilling costs. Industry-led training assumes enterprise taking responsibility for its own training. Management training will become increasingly important in terms of a competitive edge. Unless ways are provided for assisting people who for reasons beyond their control are not earning enough to pay for their own educational upskilling then there will be a growing number who are marginalised. We cannot afford to deny such people access to learning.

Education cannot ignore questions of equity of opportunity and outcome. There have always been inequities in learning opportunities. Our society has tried to address these. The new global technology opens up the possibility of new 'haves and have nots' - people with access to computer literacy versus those without. It would be tragic if, in the development of learning centres, we create and perpetuate new and large pockets of disadvantage.

Ultimately it boils down to what we value. Do we value education? Do we value the people who provide it? How do we measure and reward value addition? The choices we make in answering these questions will shape education in the first two decades of the 21st century, and beyond.

**Harvey McQueen**

**-Biographical Notes-**

Harvey McQueen is a history graduate from Canterbury University, Christchurch. He taught English and history in Waikato secondary schools before becoming an inspector of secondary schools based in Hamilton. He then worked in the

Department of Education, head office in the Schools Supervision and Curriculum Development Divisions. He left in 1985 to form his own education consultancy.

In 1988-89 he worked in the Prime Minister's Department as an education aide. In 1992 he was appointed Executive Director of the New Zealand Council for Teacher Education which is the central organisation of the state-funded teacher training institutions in New Zealand. He was appointed to the Teacher Registration Board in 1993.

A writer in his spare time, he has had published two books on education and several volumes of poetry.

## **Energy**

Wayne Makeig

The use of energy underpins society as we know it today. The more developed societies are, the more intensive their consumption of energy. Without access to an energy supply, or the ability to afford it, societies remain undeveloped.

It is frequently said the world is divided into the 'haves' and the 'have nots.' Those same sectors could well be relabelled the 'energy rich' and the 'energy poor.'

The term 'energy' generally invokes images of coal, oil, gas, hydro dams, nuclear plants etc etc. In fact 'energy' should bring to mind cooking, heating, lighting, transportation, earthmoving, agriculture, factories, recreational resorts and activities.

Interestingly, there is growing opposition to the former definition (ban fossil fuel burning, nuclear plants and any further hydro development) but growing public demand for the latter - more heating, lighting, transport and recreation.

In a modern society, the provision of energy is not optional. Without an adequate supply of energy, we would be unable to house our growing populations, to feed, warm, cool and cleanse them; to move freely about; to work and play in the manner we have come to expect.

### ***Background***

New Zealand has generally been well blessed with plentiful, inexpensive energy supply. When coal was the worldwide fuel for cooking, heating and driving our machines, New Zealand had all the coal it needed. And we still do.

With the birth of the electric light bulb and the subsequent all-electric kitchen, New Zealand had more than ample opportunities for hydro development. Indeed, about 75% of our electricity supply is still relatively inexpensive hydro.

The rapid development of the motor car and air travel, and conversion of coal-fired locomotives and plant to oil brought a different story.

New Zealand's production of oil, although first commenced in 1865, has always been modest. However, imported supply for our needs, at affordable prices, was maintained successfully - even through two world wars. The continuing search for oil in New Zealand, whilst largely unsuccessful in finding commercial oil deposits, produced significant gas finds. Firstly the onshore Kapuni field, then the offshore Maui field, large by world standards.

But with the oil shocks of the 1970s we perceived ourselves to be very vulnerable, down here at the bottom of the world with little indigenous supply to fall back on. This predicament sparked off a programme to become 50% self-sufficient in transport fuels by 1985. In fact we achieved about 60% through the conversion of natural gas from Kapuni and Maui into petrol at the synthetic fuels plant at Motunui, and the processing of condensates from the gas fields at the Marsden Point refinery.

The consequences of this energy history are that in New Zealand we have a lifestyle and economy based on a plentiful supply of relatively cheap energy. We export energy in a number of forms; notably aluminium from electricity and methanol and fertilisers from natural gas. Most of our major industries are energy intensive, and we are compulsive motorists, with car ownership per capita behind only the United States and Canada, and third equal with Australia.

### *The present*

The present energy scene in New Zealand is one of considerable change:

- Coal has had a considerable resurgence in production, but virtually all of that increased output is being exported;
- The oil industry has been transformed, from probably the most regulated industry in New Zealand to total deregulation;
- Gas production has peaked and output from the giant Maui field will decline significantly in the next decade;
- In electricity, the retail sector has been deregulated and is experiencing corporatisation and extensive pressures for mergers and takeovers. Generation is no longer the sole province and responsibility of the Government, but has also

been deregulated and split into competing units, with further competition coming from the private sector and the newly deregulated and corporatised retail supply companies.

There are also growing environmental pressures - from the need to maintain or decrease CO<sub>2</sub> levels arising from the burning of fossil fuels, resistance to any further large-scale hydro developments and rejection of the nuclear energy option.

Despite growing resistance to energy production, demands for energy outputs continue to grow. How will these demands be met through to 2020, and what choices do we have?

### *Towards 2020*

A significant characteristic of the energy industry is the very long lead times involved in making changes. This results not only from the huge volumes of energy produced and consumed daily, which would take an equally huge and time-consuming effort to replace, but also from the infrastructure and equipment required for consumption. Factory plant, trucks, buses, aircraft, trains, ships and even our buildings are all still being manufactured and built based on current energy forms. All of this equipment has a useful life of 20 years or more. Thus it is difficult to envisage any major changes in energy form over the next couple of decades.

What may well emerge by 2020 is some indication of what the next generation of energy might be. At present there is much speculation; fuel cell? hydrogen? fusion? biogas? but no certainty.

Fortunately the world has sufficient resources of fossil fuel, hydro and nuclear power to maintain us for some decades yet.

While New Zealand is no different to the rest of the world and will continue to support its lifestyles by the consumption of fossil fuels and electricity, changes in the source and mix of those fuels is inevitable.

There has been some criticism that New Zealand's 'energy intensity' (the ratio of energy consumption to GDP) has continued to rise over the last decade, whilst the rest of the developed world's has declined - the criticism implying that we are inefficient and perhaps even profligate in energy use. In fact this is rather a superficial view. As stated earlier, New Zealand has many energy-intensive industries based on the ready availability of relatively inexpensive energy. High intensity does not necessarily imply inefficiency, but rather reflects the nature of the activity. It is interesting to note that, if we exclude the highest energy-using sectors in New Zealand (forestry, aluminium, steel and methanol) the energy

intensity of the remainder of the economy (albeit with some fluctuations) has been generally declining since 1970, in line with the rest of the developed world.

There has also been concern expressed that with the recent considerable increase in economic activity in New Zealand, after a decade of growth averaging only some 1% per annum, there would be a commensurate increase in energy demand which would lead to shortages, particularly in electricity. Interestingly, this has not occurred and electricity consumption has continued to rise by only 2% per annum, much as it was before. This may be attributed in part to declining intensity due to continuing efficiency improvements.

However there has been some quite significant growth in demand for diesel fuel with the greatly increased activity in forestry, and in jet fuels with similar increases in air travel.

Such increase in fossil fuel consumption, together with any increases in thermal firing of power stations, is very much in conflict with our aims to moderate CO<sub>2</sub> levels, arising from New Zealand's participation in the Framework Convention on Climate Change (FCCC) along with other developed countries. Notwithstanding these international commitments, it is clear that many signatories to the FCCC will not come close to meeting their undertakings, and the degree of ongoing international commitment is far from clear. Whether New Zealand opts for unilateral action to meet our commitment, at some cost to our economy, or decides to act in parallel action programmes with other nations having difficulty in meeting targets, is a choice we have yet to make.

Despite the reducing energy intensity in New Zealand, demand will continue to rise at about 1.5% per annum through to 2020; ie there will be about 30% more energy consumed in 2020 than in 1996. To identify some of the options we may have in the energy mix of that 30% increase, it is necessary to review the possibilities by energy sector.

### *Natural gas*

Production of natural gas has peaked in New Zealand. Unless a significant replacement field is found, the exhaustion of Maui with the consequent cessation of methanol, synthetic gasoline and fertiliser production, together with greatly reduced availability of gas for electricity generation, will occur towards the end of the first decade of the next century.

Nevertheless, other supplies of gas from smaller onshore fields will ensure continued availability of gas for domestic reticulation well beyond 2020.

### *Oil*

Oil will continue to be imported, but in increasing quantities, not only to meet increasing demand but in some instances to replace gas following the exhaustion of Maui. Oil will continue to be available worldwide for importation for some decades yet, well beyond 2020, but short-term supply and price will continue to experience the vagaries of international trading and the politics of the Middle East.

It would appear unlikely that oil will be supplanted as the principal fuel for internal combustion engines. Despite intensive development effort, electric cars remain stubbornly expensive with performance falling short of public requirements. Similarly, the battery design breakthrough that may overcome these difficulties also remains elusive. Present indications are that 'hybrid' cars (using a combination of energy sources) are more likely to emerge as a potential small car for shopping and commuting.

### *Electricity*

Fears of a looming shortfall in electricity supply in the next few years have receded since the deregulation of the industry. Not only have the forecasts of greatly increased demand associated with higher economic activity not materialised, but with deregulation of generation has come a considerable list of certain, probable and possible additional generation projects. Significant additions to capacity already announced include ECNZ's upgrade of Manapouri (170MW) the Southdown gas-fired plant (120MW) and the Taranaki Combined Cycle project (350MW). Many other geothermal, co-generation plants and small hydro are in advanced stages of planning. A number of wind farms are also reaching the construction stage with one, South Wairarapa, in operation. It would be optimistic to believe wind could significantly replace other less environmentally acceptable forms of energy generation. Lack of storage ability dictates the need for back-up generation systems during those periods when the wind is unfavourable.

There are a number of consequences arising from this multitude of relatively small generation proposals. One would now expect supply and demand to be kept in a better balance with small projects coming onstream as demand justified their need. As a result, the need for major projects, adding blocks of 500-1,000 MW as in the past, has now receded; based on current indications, perhaps to beyond 2010.

A less favourable consequence may well be that electricity from this plethora of small plants is more expensive than a similar output from one large hydro or thermal development. Thus, if an investor was bold enough to establish a large-scale plant, many of the small projects could become seriously uneconomic and even superfluous.

The real outcome as we head toward 2020 is that would-be investors do now have choices as opposed to our pretty rigid history of state dominance.

One other area of electricity supply where choice has not yet been a feature of the deregulated environment is for domestic and small business customers. They are still seen to be tied to their monopolistic local supplier. It is only a matter of time before advances in technology and increasing competition rectify this, and that is likely to be sooner rather than later - perhaps only a couple of years.

### ***Coal***

Coal has been something of a Cinderella as regards energy supply within New Zealand for the last few decades, firstly out-priced by low-cost fuel oil in the 1960s and 1970s, then by low-cost gas from Maui and, more recently, suppressed by environmental pressures.

It is ironic that our most prodigious indigenous energy source has lately undergone a resurgence, with production now over three million tonnes per annum, but that the vast majority of this production is being exported. Coal is a major and rapidly expanding source of energy for our Asian neighbours, Indonesia, Malaysia, Japan and China. In Australia, all electricity production in New South Wales and Victoria is from coal-fired thermal stations.

The run-down of Maui gas in New Zealand may well mean coal being required here as a replacement - particularly in our largest power station, Huntly. Considerable improvements in burning efficiencies and handling techniques have greatly improved the performance and image of coal as a fuel. There remains though the perceived problem of CO<sub>2</sub> emissions from coal firing, and here we may well be faced with difficult choices in reducing CO<sub>2</sub> and maintaining an adequate energy supply, particularly in electricity generation, to support the level of lifestyle we have come to expect.

### ***Geothermal***

A number of small- to medium-sized geothermal plants are being planned for development over the next few years, and these will make a very welcome contribution to New Zealand's electricity supply. Geothermal is well suited to co-generation, but with this energy source confined to the central North Island plateau, opportunities are limited.

### ***Solar power***

Solar energy has been around for a long time now without making a significant impact on total energy supply. Nevertheless, useful contributions can be made, with direct water heating, particularly in West Australia, but New Zealand's climate has not encouraged the same penetration here. Despite considerably reduced costs over the last couple of decades, photo-voltaic conversion to electricity remains too expensive for general use; though it is considered by many

to be one of the possibilities for a major supply of energy in the future, given appropriate breakthroughs in technology and cost.

### ***Nuclear power***

As things stand it would appear that New Zealanders will not need to contemplate the introduction of nuclear power in the next 25 years, even though for a variety of reasons it may become more widely used elsewhere in the world.

### ***2020***

As we approach the year 2020, while our primary energy sources will almost certainly still be fossil fuel-based products and electricity, our use of those products will be considerably more efficient and frugal. Perhaps 50% less consumption for similar utility.

Households will have wide choices for their selection of suppliers.

Long distance travel will still be in the familiar form of aircraft, trains and buses, but also considerably more efficient.

Individuals may well have better choices in public transport, but a major choice will remain individual private transport. However, there will be a choice between small fuel-efficient commuter-type vehicles (hybrids?) and the more familiar family-type vehicle to accommodate numbers of people and distance.

There may well be the emergence of a new generation of fuels, clearly seen as possible or even probable successors to our traditional sources.

## **Wayne Makeig**

### **-Biographical Notes-**

Wayne Makeig has been involved with the energy industry for many years, most recently as Chairman of Capital Power Limited. He has been Deputy Chairman of Mobil Oil New Zealand Limited and a Director of the New Zealand Synthetic Fuels Corporation. Wayne Makeig is Chairman of the Energy Foundation of New Zealand Inc., and in addition to these energy interests, served for four years as Executive Director of the Ronald McDonald House Trust in Wellington.

# Future of local government

Philip McDermott

## *The legacy of weak local government*

Local government in New Zealand has never been strong. Fragmentation of administration from the outset of colonisation led to waste, ill-coordinated investment in infrastructure, and weak local democracy. Weak local democracy and under-developed professional structures undermined the quality of local decision-making. Poor performance led to public apathy and distrust. Distrust underlay the reluctance of successive central governments to devolve functions to their local counterparts.

Notwithstanding its intrinsic weakness and limited role (focused on services to land and property) local government performed useful functions within these constraints, and was well-connected politically. These connections, and its amorphous nature, made it difficult to reconstruct. Despite repeated attempts, it was not until the late 1980s, after 100 years of trying, that central government finally managed to bring some order to local government.

When it did come, reform was dramatic. In 1989 some 800 ad hoc and territorial authorities were replaced by twelve regional councils and 74 district or city councils. The commitment of the Labour Government in 1987 to the pace of reform which had been imposed on central government over the previous three years was critical to this. So was the fact that central reform provided a viable template for change at the local level.

Another important ingredient was the collaboration of key personalities committed to change. Michael Bassett, the Minister of Local Government, had previous experience as a city councillor. As a historian he understood the forces ranged against change as much as he disparaged the haphazard and inefficient nature of local government. Despite coming from the conservative side of the political spectrum, the Local Government Commissioner, Brian Elwood, worked closely with Bassett to carry out reform. A former city mayor and respected throughout local government, Elwood saw the weakness of local government as undermining its potential to contribute to community life, something he felt could be rectified by larger, more powerful units. Deputy - later full - Prime Minister, Geoffrey Palmer provided political patronage. He needed competent regional government to fulfil his aspirations for overhauled environmental legislation, and favoured local government reform as part of a wider commitment to streamline regulation and reduce executive power in Wellington.

There are lessons for future change in this narrative. Overlapping agendas led to a highly focused alliance among otherwise divergent political interests. An issue of

constitutional importance was addressed with scant regard to traditional party allegiance. Structural reform was achieved as a matter of principle rather than as a matter of expedience. The forces of resistance were overwhelmed by a tightly targeted and clearly defined project which worked to a tight timetable and to limited but lucid objectives.

Despite the dramatic changes to the form of local government achieved in just 18 months, changes in function were neither sought nor immediately achieved. The principal achievement of the 1989 reform was not to change the scope of local government, but to create fewer, larger organisations with the capacity themselves to undertake a further, substantial transformation of what they do, and how they do it. This transformation is still under way, and the outcome far from conclusive. Choices remain: will local government evolve as an agency of a reconstructed central state, or will it burgeon as an effective agent of local democracy?

There are three threads to this continuing transformation; the refashioning of local government to reflect the credo of managerialism, a refocusing on services and functions which fall clearly in the public domain, and the reassertion of the democratic role of local government. The way in which these threads are woven will determine the relevance of local government to the communities of the 21st Century.

### ***Managerial transformation***

As a result of the 1989 reforms local government management is being brought into line with private sector practices, in part through a new capacity for professional administration and modern management systems and practices. This has seen the introduction of 'modern' accrual accounting methods, for example, and a new view of the public as clients. Traditional precepts of stewardship over public goods and public service have been overtaken by the jargon of strategic planning and performance appraisal. Town clerks have been replaced by chief executives, public infrastructure has been remade into assets, and staff have been converted into human resources.

Some commentators maintain that the managerial transformation is incomplete. Business and central government expect that councils will act with fiscal prudence by preparing ten year financial plans. These plans should reflect the long-term funding requirements and financial consequences of council commitments to a few prescribed public services. This push for fiscal responsibility is interpreted by some as obliging councils to reduce reliance on rates-based revenue and to increase user charges, thus reducing the domain of collective action, and undermining local political discretion. An alternative view might be that the full potential for local government to both expand and focus its democratic domain will remain frustrated by reliance on such a narrow funding base as property taxes and user charges.

### ***Unfinished business: functional realignment***

Pressures for functional change come from several directions. Proponents of less government call simply for a reduction in the scope of local government activity. The thrust towards managerialism supports this, on the grounds that market-contestable services should be privatised. The pressure to achieve efficiencies and to increase reliance on market signals favours competitive models of service delivery. Local Authority Trading Enterprises and Business Units are becoming more common and will become prevalent for service delivery.

Whatever happens, the functional thread of transformation means that local government is likely to become less directly involved in traditional infrastructure and services. In some cases, such as water supply and waste disposal, services may be corporatised and privatised, subject simply to anti-monopoly regulations. In others, such as the maintenance of parks and reserves, councils may remain responsible for provision, but delivery will be by private sector contractors.

On the other hand, the reduced role of central government in the economy places more pressure on local government to meet needs. Already councils are experienced with economic promotion, in part justified by the local employment and income consequences of the national economic restructuring of the 1970s and 1980s. A number provide low-cost housing, mainly in the pensioner sector. While the rationale for these sorts of investment is being debated, the demands for local social support grow as restructuring of the welfare state places a greater onus on the individual and therefore communities to meet their own education, health, and welfare needs. The outcome is likely to be a growing commitment by councils to social infrastructure, even if they simply act as purchasers or advocates on behalf of the community, rather than as providers.

### ***The prospect: local democracy through community empowerment***

There is some way to go before councils can legitimate major changes in their functions. One reason is their failure to effectively define, justify and adhere to clearly identified and widely supported directions for their communities of interest. Only when the community plays a central role in defining direction might the full potential for local democracy implicit in the 1989 reforms be realised. And this, in turn, depends on transparent and accountable local government.

The failure to resolve direction is in part a governance problem. Although clear lines of accountability between the political and executive arms of councils were outlined in the 1989 reforms, they are not always adhered to. The traditional paternalism of councillors, and the right they often assume to make decisions on a host of matters with which they are only vaguely familiar, is slow to fade. All too often councillors get involved in irrelevant detail. In doing this they risk making contradictory and disjointed decisions. The more appropriate approach is for

politicians to work with management to make reasoned judgement on the issues which affect communities, and not to meddle in day-to-day management.

A 1995 conference at Massey University's Albany Campus reviewed the progress of reform. The experiences discussed at the New Local Government Conference indicated that by adopting and adhering to the accountability tenets of the 'new managerialism' councils could enhance local democracy. In particular, more consultation, a willingness to explain and answer to the consequences of decisions, and a lift in the quality of governance will make local government more effective in defining its own role in the future, and reduce dependence on directives from the centre. If this in turn increases the willingness and ability of councils to listen to their communities of interest, we can be optimistic about the impact of reforms on the quality of democracy.

Two important processes influencing accountability and transparency in local democracy are representation and participation. The test of their effectiveness is the extent to which they empower the community to determine its own future.

Representation has traditionally suffered as a result of limited turn-out in local elections, and because of the voluntary and poorly-compensated nature of council membership. In the 1992 elections, for example, the overall turnout was little over 50% of eligible voters. It is hardly surprising that the successful candidates were not representative of the diverse nature of the electorate. Only 28% of those elected were women, and the overwhelming majority (86%) fell between the ages of 35 and 64 years. Some 91% were New Zealand Europeans, and 22% were from professional occupations.

Poor or skewed representation need not defeat local democracy, however. At the 1995 Conference Sir Brian Elwood suggested that:

*"What is important is not so much that thousands within each local area could participate but don't, but that the obligation upon councils to operate in a way that provides an opportunity for participation keeps the system functioning in an open manner and at all times capable of being brought to account."*

Perhaps the populace should seek greater influence over councils by direct participation in decision-making, rather than relying simply on the quality of representation and representatives.

Participation can take several forms. First, it is secured through the requirement in law that councils elicit, receive and hear public submissions on annual budgets and plans. While an improvement on the haphazard and largely invisible procedures of the past, this process focuses the public view on the short-term and the trivial, confining attention to the limited areas of discretion in councils' annual budgets.

Second, ratepayer surveys are an increasingly common tool for gauging public opinion. These are often conducted to measure ratepayers' assessment of council performance, and used only incidentally to gather information on what the public actually wants. In addition, budgetary constraints compromise survey accuracy. Without systematic, comprehensive, and rigorous procedures for listening to the public, multi-purpose survey instruments may mislead as much as inform policy decisions.

Third, interest groups can dominate meetings, demanding management and political time. They may influence council agenda in the interests of particular sectors. While an important component of local democracy, the presence of interest groups can further bias the intelligence on which policy decisions are based.

The task of balancing these sources of public intelligence and using them to define a future to which the majority of the community might aspire is a challenge for both the institution of local government and the community for which it acts. Community empowerment means that determination of the larger issues facing a locality should not rest simply in the hands of an unrepresentative and only partially informed elected chamber. Nor should it be left to the discretion of an increasingly specialised and professionalised council executive. Ideally, sophisticated techniques of listening, consultation, and responding will ensure that the voice of the local community will be reflected in the enduring commitment of councils to particular physical and social programmes. In this a combination of renewed interest in civic affairs and the increasing accessibility and intensity of exchange associated with 21st Century electronic communications will both have important parts to play.

At the least, the choices for community governance have been broadened by a process of democratic transformation initiated by restructuring. It remains with the individual community to determine how effectively it exercises its power by seeking out opportunities to engage with the local council on issues that matter.

### ***The challenge: participatory democracy in a global economy***

Local government remains at the crossroads. There is no guarantee that it will rise to the challenge of cheaper services or better democracy, that it will successfully redefine its future, or that it will contribute significantly to the development of communities. Yet there are a number of trends which demand that the role of local government be clarified and strengthened sooner rather than later.

The shape of local government will never be entirely determined by local circumstance and local aspirations. The 1989 reform reflected a period of intensive central restructuring, during which the national regulatory regime associated with Keynesianism and welfarism was dismantled. The regime which followed focuses more on individual rights and behaviours than on collective rights and actions.

Faith is placed in the impersonal rationality of the market rather than on community consensus. The purported aim is to empower the individual, reducing dependence on state agencies. Consequently, government is curtailing its regulation of economic behaviour. Efficiency is seen as the key measure of public sector performance.

At the same time, there is growing emphasis on the international arena as a basis for economic regulation. New Zealand is participating in the tendency towards international economic interdependence and diminishing national sovereignty. Central government is increasingly preoccupied with mediating international relations. National policy is concerned more and more with compliance with international standards and regulations. Coupled with shrinking welfare institutions and experimental models in health and education, the consequence is the diminishing relevance of central government to local communities.

The implication for local government is twofold. First, it may fill the gap left by the contraction of central government, intensifying its role in distinctly local regulation. Second, local areas may be drawn increasingly into international networks and spheres of influence which bypass traditional central gatekeepers.

The first tendency is demonstrated by the Resource Management Act (1991). Through this the government devolved regulatory responsibility to local government to deal with the environmental consequences of economic and social activity. The purpose of the Act is to redirect attention from what resource users and developers do, to the environmental consequences of their actions. The environmental consequences of different land uses and activities which are deemed acceptable and non-acceptable are defined, in large part, through a public process of plan preparation which reflects local circumstance and values. The Act lays out the steps local government must go through to protect the environment, but does not prescribe standards or regulatory methods by which this will be done. This type of qualified devolution could be extended to other areas, including the provision of social infrastructure and support. Further devolution depends, however, on local government first taking up the joint challenge of good governance and fiscal responsibility, thereby reassuring central government of its competence and capability.

The second tendency is apparent in Sister City relationships. These will assume economic overtones as trade and investment missions increase on a city-to-city basis, and as cities interact more directly through migration, tourism and trade. And as globalisation comes to preoccupy nation-states, so it is expected that the interests of local communities will be served by asserting the character of the local state. This will serve two functions. The first is 'commodification of place' as a basis for participating in international economic networks. This is already seen as localities are marketed through distinctive area development initiatives (including downtown rejuvenation, waterside developments and mainstreet programmes),

slogans, missions, and festivals. The second is meeting a basic human need to identify with a particular locality, nurturing roots in a world in which national character is of diminishing relevance and in which local identity is challenged by globalism.

### *Choices for local government in the 21st Century*

What is the picture we can draw of local government in the 21st century? Two paths are apparent, with a common starting point. This starting point is characterised by a reduction in service delivery, reduced focus on the property base of communities, and a shift to co-ordinating purchaser relationship with suppliers of physical and (perhaps) social infrastructure.

One path forward simply invites local government to continue to contract its role, to fulfil its commitment as steward of local public resources and the environment, to fulfil those tasks delegated to it from the centre, and to do all this in as efficient and unobtrusive a manner as possible. Public participation would be limited to the triennial election and statutory requirements for consultation. Local government would continue as a creature of central government, its future tied to the uncertain future of the nation-state. The importance of place will be submerged by a combination of conservative liberalism, with the centre dictating social conditions, and international commercial imperatives and regulations dictating economic progress. Councils will do little more than help their communities adapt, and aim to trim local costs to cater to the needs of investors. Localities will be submerged within the international community, and social relations defined more by vocational affiliation than by territory.

This is the future of minimalist local government, containing the cost of public services and denying the role of collective civic action. It is a future which is the more likely the less the interest which ordinary citizens take in the affairs of local government.

The other path is marked by continuing functional and democratic transformation. This is the path to active, open and participative local government. It is the path of community empowerment, through which local government will be the centre of a distinctively local democratic political system. Councils will work closely with communities, providing leadership in the quest for identity and local quality of life to counter the pressure for international conformity. Participation in the international community will be mediated by a strong sense of place and local character. Competitiveness and individual welfare may be influenced - for better or worse - by where people reside, or elect to reside. This is not a future of absolute local sovereignty, so much as one in which local communities and their elected representatives collaborate to maintain some influence over their collective futures.

This is the future of local democracy which might accompany, or even grow out of, the loss of faith of the ordinary citizen in his or her ability to participate in the affairs of the nation-state. It is a future in which issues of local diversity, local choices and local security begin to mobilise communities to assert their demands in a distinctly local political setting, whether dealing with health, education, welfare, or civic affairs.

In reality, the choice we face with respect to local government may not be so clear-cut. Increasing mobility means that individuals choose to progress through localities at the same time as they progress through their careers and their life cycles, limiting their affiliation and their commitment to any one place. The current push for individualism, and individual empowerment, while potentially transitory, undermines the foundations of local democracy, and may permanently diminish the potential for community empowerment. Despite this, the realities of globalisation are encouraging many councils to explore the potential for supporting local enterprise by promoting the character of their jurisdictions, or funding programmes of reurbanisation. Despite shortcomings in representation, the appeal of civic service is revealed in increasing numbers of candidates for local elections despite limited remuneration.

Without active, informed, and effective participation in the affairs of the local state by a wide range of people, the outlook is for more of the same, weak local democracy, dependent on the will of central government, with which people currently struggle to identify, and prey to the whim of vested interests. The real challenge for the people of New Zealand is to claim a part in defining the role of local government and, thereby, in shaping the future of their communities. The experience of reform in 1989 demonstrates how setting aside personal agendas, working through alliances of disparate interests towards common ends, focusing on clear and finite goals, and exploiting the momentum of change might enable communities to achieve this.

**Philip McDermott**

**-Biographical Notes-**

Philip McDermott was appointed Professor of Resource and Environmental Planning at Massey University at Palmerston North in 1994. Prior to this he was a principal of consultants McDermott Fairgray Group. His practical experience over 15 years of consultancy includes strategic planning; area and development planning; and economic, social and market analysis for business and government. He has worked for a large number of regional and local councils throughout New Zealand.

Professor McDermott holds a masters degree in Geography (Auckland) and a PhD (Cambridge). He is a member of the Chartered Institute of Transport in New Zealand and the New Zealand Planning Institute.

## **Central government in the future**

Margaret Clark

If thinking about the future is not to degenerate into Nostradamus-like nuttiness it must be rooted in an understanding of the present and the past.

When contemplating the likely future shape of central government in New Zealand it is as well to remind ourselves that we are deeply democratic - indeed ours is one of the longest continuously democratic systems on earth. When our founding constitutional document, the Treaty of Waitangi, was signed in 1840 it was only eight years after the passage of the Great Reform Bill in the British Parliament. There was no bloody revolution in the streets of London, but the constitutional effects were as radical and irreversible. The landed aristocracy had witnessed the American War of Independence and the French Revolution just across the Channel. It took no great genius to tell which way the wind was blowing, so the franchise was lawfully extended to commoners - the first of many such extensions throughout the 19th century and into the 20th when they finally got around to including women.

The great bulk of New Zealand's European settlers came from Britain, and they left therefore a land where popular political participation in the form of the vote was already enacted. They also brought with them Victorian notions of progress and cultural superiority. Victorian science and engineering had encouraged confidence that practical problems were soluble. Although few of the settlers would have been familiar with writers such as Hobbes, Locke and Hume, nevertheless their cultural baggage included such fundamental political ideas as individual rights to liberty and property, equality before the law and due process, and freedom of speech and association. Early observers of New Zealand politics remarked upon a readiness on the part of settlers to look to government for assistance in adjusting to the rigours of life in a frontier society, and an all-pervasive egalitarianism was noted.

A young Frenchman Andre Siegfried visited us in 1899 - the mid-point of the Liberal Government's rule - and published his insights in *Democracy in New Zealand*. He came expecting to find a nation of robust Anglo-Saxon individualists, but instead was astonished to see that "when a colonial finds himself face to face with some difficulty it is almost always to the State that he first appeals." Siegfried decided that the myth of the vigorous, self-reliant frontiersman was "a legend to be thrown on the rubbish heap." He went on ... "As the Government is at the service

of all, it is generally difficult to decline its services. Little by little it is brought to concern itself with everything." And he concluded sombrely, "The influence of the State makes itself felt up to the very doors of private life."

Nor were politicians the least bit defensive or ashamed of the intrusiveness of government. William Pember Reeves, Minister of Labour 1891–96, and subsequently New Zealand's representative in London, wrote proudly of state experiments in Australia and New Zealand, and believed where New Zealand led, other countries would follow. Sir Robert Stout, Premier from 1884–87, shared such hubris. "The Government is no longer deemed an enemy of the people, but on the contrary, it is believed to be the benign father and mother whose every care is for the people, who are not considered capable of regulating their affairs without such assistance. We appeal to the Government, whenever a social wrong is proved to exist, to redress it."

While Andre Siegfried lamented the vulgarity of many of parliament's proceedings - plus ça change - he marvelled at the almost universal enthusiasm for state activism. New Zealanders were little encumbered by privilege or class, he observed, and were generally proud of government innovations.

"They enjoy being able to smile at the timidity of old countries and to believe that they are giving them lessons. Votes for women? Why not? ... Is it a matter of old-age pensions or some other reform of the sort? The same temptation is at hand, that of out-distancing others. This strange rage for novelty lies at the inception of most of their laws."

By the turn of last century the lineaments of our present central government were already clear, and they have persisted to the turn of this century.

After the passage of the New Zealand Constitution Act in 1852, New Zealand was to have an elected House of Representatives, and the first election thereto was held in 1853. Four Maori seats were established in 1867 and all male Maori were given the vote (ahead of many men in Britain, where certain property and literacy limitations still pertained). The secret ballot was introduced in 1870, and the provincial governments were abolished in 1875 making New Zealand a unitary not a federal state. In 1879 the triennial parliamentary term was introduced, and in 1893 women were given the vote. More than a hundred years ago, therefore, we had in place what essentially we have today; a fully representative central government, held accountable to the citizens by way of a general election every three years.

And yet our enthusiasm for innovation has not died and we have embarked on our first experience of electing a central government by a form of proportional representation. The Royal Commission on the Electoral System appointed by the fourth Labour Government reported in 1986, recommending the adoption of the

German voting system of Mixed Member Proportional representation. At first the report seemed destined to be simply a curiosity for the delectation of political scientists. Neither of the major parties wished to depart from the first-past-the-post electoral system that had alternated them in power for fifty years. But two general elections and two referenda later - plus a series of 'accidents' by politicians - means that collectively we are now experiencing an electoral experiment of very considerable dimensions.

What will happen? I would argue that the main characteristics of our political culture are likely to persist. MMP in my view is unlikely to produce the worst outcomes its opponents fear. Similarly it is unlikely to be the all-soothing balm its most enthusiastic proponents promised.

One of the most interesting writers to date on the likely outcomes of MMP is Richard Mulgan, because he was the only political scientist to serve on the Royal Commission which advocated the change.

Writing in a book edited by Gary Hawke and published by the Institute of Policy Studies - *Changing Politics? The Electoral Referendum 1993* - Mulgan argues that one can summarise New Zealand's political culture (and the expectations New Zealanders have of central government) under three headings - the active state, the fair state, and the accessible state.

The active state gave us roads and bridges, railways and the electricity and telephone systems. It gave us Julius Vogel's and Robert Muldoon's versions of 'Think Big.' It had the state in banking, marketing, and a variety of commercial activities more commonly left to the private sector elsewhere. The active state was also heavily engaged in industrial relations, and in trade relations through manipulation of import licences and tariffs.

The fair state sought to equalise opportunities for its citizens. The provision of publicly funded schools, universities and hospitals were manifestations of the fair state. Welfare benefits of a variety of kinds were intended to buttress social egalitarianism, and the needs of the young and the old were thought to be particularly worthy of government support.

The accessible state made members of parliament responsive to the needs of their electorate. Members of parliament deemed it their duty to list their home phone numbers in the directory and to be at the beck and call of constituents without complaint. Keith Holyoake embodied the accessible state for many when he walked from his home in Pipitea Street to Parliament each day and delighted in being accosted by voters with their problems.

***Time for a change?***

From 1984, it can be argued, New Zealanders felt that their state became less active, less fair and less accessible. This perception fuelled the vote for electoral reform. Public regard for politicians had eroded. Politicians did not want MMP. Therefore 'let them have it' was the sentiment.

The fourth Labour government gave the voters economic policies they had not bargained on. When the electorate voted decisively for change in 1990 they were instead served more of the same market liberalisation mix. Academics wrote of "an elective dictatorship", and the average voter felt disempowered. Choosing MMP was intended to change all this, but how much change will MMP bring?

Four of my colleagues (Boston, Levine, McLeay and Roberts) have addressed this question in a recently published book *New Zealand Under MMP: A New Politics?* Like me they believe that the effects of the change in our electoral system "will not be as damaging as its detractors fear nor as wonderful as its proponents promise." They think that only four or five parties are likely to achieve long term representation, and that the politics of our governments for the foreseeable future are likely to be centrist. Under these circumstances the pattern of our policymaking is far more likely to be incremental than radical.

The first and already most obvious area of change is the pattern of political parties. They have proliferated before our eyes, and members of parliament have party-hopped in search of safer perches. It has been unsettling - if not destabilising - and it may make good spectator sport for some time to come. Single-cause zealots were always sure to see MMP as a window of opportunity to draw attention to themselves. Writing sixty years ago George Orwell lamented that politics attracted lunatics "like blue-bottles to a dead cat: every fruit-juice drinker, nudist, sandal-wearer, sex maniac, quack, pacifist and feminist." One might modify the list a bit, but in the short run that's going to be the flavour of our new politics.

Things will of course shake down, and let's hope the shaking-down process isn't too protracted. Setting aside single-issue groups, the pattern of politics will focus in the future, as in the past, on what proportion of the nation's wealth we want the government to take from us by way of taxes, and what we want them to do with those taxes once they've collected them. We shall evolve 'more tax', 'less tax' and 'about the same tax' groupings or parties. Of that, as of little else, I am certain.

In post-MMP as in pre-MMP politics there will of course be charismatic figures able to attract voters by force of personality rather than reason. Those who opposed MMP as endangering the stability and coherence of government might be soothed by some learned words in *Changing Politics* from Barry Gustafson, Professor of Political Studies at Auckland University: "One should remember that even under proportional representation electoral systems most splinter, protest, single-issue or charismatic leader-type minority parties have throughout history tended to be

either transient phenomena, or ineffective critics on the edge of the system, rather than permanent actors in it."

The five percent threshold gives us some protection from the truly deranged. The pattern of parties with parliamentary representation has however become variegated, and therefore more representative of the increasingly complex tapestry of New Zealand society. More women and Maori are likely to continue to enter Parliament, and party lists will increasingly feature other minorities too.

And what of the hopes of MMP proponents that the new electoral system will produce a fresh and civilised breed of politicians who will deal courteously and calmly with each other, and reach rational and consensual policy decisions with which we can all concur? What of the hopes of those who abhor adversarial and confrontational politics and look for a new dawn when lions and lambs will lie down with each other? I wouldn't hold my breath.

It is true that under MMP we are unlikely to get single party majority government, and therefore we are unlikely to have future Cabinets as powerful, or as unrestrained by Parliament, as has been possible under first-past-the-post. However, whether we have a single party minority government, or a two or more party coalition government, the stuff of politics will still be about deciding, as Harold Lasswell memorably put it, "who gets what, when and how." Politics has been described as "the authoritative allocation of scarce resources" and almost by definition resources are always scarce. When politicians are deciding "who gets what, when and how" tempers are bound to get as frayed in the future as they have in the past. Politics has always been about slicing up the cake, and that will continue to be so. When debate is vigorous - even pugnacious - that is not a sign of democracy's weakness but its strength.

### *Prospects*

Some people are concerned that the vagaries of an MMP parliament might undo many of the post-1984 economic reforms, just at the point when some gain from the pain is becoming increasingly evident. I'm an optimist, for several reasons.

Firstly, Geoffrey Palmer ensured that all new laws must go to Select Committees for public scrutiny and comment. Even under our first-past-the-post parliament, select committees grew increasingly independent of Cabinet, and with the bigger MMP parliament this will become more so.

Secondly, a broad consensus has emerged that the State Sector Act and the Fiscal Responsibility Act are the linchpins of our responsible government. No-one - so far as I'm aware - is talking about repealing them, and they ensure future governments will be constrained from recklessness. These two pieces of legislation have attracted considerable interest and comment outside New Zealand. For instance a

recent Economist article noted with approval that the Fiscal Responsibility Act "set budgetary rules which give governments more incentive to take account of the long-term implications of fiscal policy. With the help of such changes New Zealand slashed public spending from 46% of GDP in 1988 to 36% in 1994. That is surely one for the history books."

Even if one does not share the Economist's ideological enthusiasm for "the withering away of the state", one takes North and South journalist David McLoughlin's point that any attempt to repeal the Fiscal Responsibility Act would immediately be dubbed "The Fiscal Irresponsibility Act", and no politician is likely to court such obloquy.

In the future, then, New Zealand's democracy and political debate will be as robust as it has been in the past, of that I have no doubt. People wonder if we shall stick with MMP - I think we shall have no choice. Politicians elevated to power by that electoral machinery will be loath to dismantle it. The electoral system itself will not determine the health or quality of our democracy. The eternal vigilance of citizens will.

The twin pillars of democracy are liberty and equality. The trick is to keep them in some sort of balance. The choices voters make between parties will have much to do with choices between liberty and equality. So long as equality was defined as 'equality of opportunity' the state could provide equal access to goods such as education and health without diminution of the liberty of citizens. However, in recent decades some groups have seen equality of opportunity as insufficient, and have instead demanded that the state provide 'equality of outcomes.' Whenever a state goes down that route the liberty of citizens is necessarily compromised. The voters of New Zealand, in the future as in the past, will determine the quality of our democracy by the policies and parties they choose to support.

To be a democrat one must have faith in the collective wisdom of the electorate. One must hope too for reasonable and reasoning leaders who can spell out to voters the consequences of the choices that they make. Only then will public regard for professional politicians lift from the current abysmal level.

My old Professor, Ralph Brookes, was a master of telling under-statement. In his inaugural lecture in 1962 he described politics as "a means of deciding what is to be done. At one extreme politics shades into law. At the other extreme politics shades into war. But between the bench and the trench is a type of activity that has its own distinct techniques."

He concluded with the thought - as I shall too - "It is an activity not devoid of value.

## **Margaret Clark**

### **-Biographical Notes-**

Margaret Clark is Professor of Politics at Victoria University. Her Bachelors degree was from that University, her Masters from the University of Malaya, and her doctorate from Columbia University in New York. She has written widely, often with a South East Asian focus, and served on several government-appointed and other bodies.