

RECOLONISATION OR DECOLONISATION – WHERE DOES OUR FUTURE LIE?¹

I vividly remember the last conversation I had with Bruce. He wanted to talk about the failure of the left to address the theoretical and political challenges posed by global capitalism. I was in one of my populist phases, high on activist politics and fresh from the victory against the Multilateral Agreement on Investment, the MAI. Bruce was visibly impatient with the theoretical shallowness of what I was saying. It's the kind of conversation you wish you could rerun, but you can't.

Tonight's lecture is my belated attempt to address the problem in a way that Bruce would have appreciated. His approach was always to look beyond the immediate and identify underlying trends and prospects for the longer term. He also didn't believe there was much place in the politics of the left for idealists who were driven simply by revulsion for suffering and hopes for a better future. The point is, if you are to change the world, you need to understand it empirically and theoretically.

So here, for Bruce, is my argument. The past 20 years have seen a paradigm shift from the Keynesian welfare state and state socialism to neoliberal economics and government. *Economically* this transition was driven by the need to restore the flagging profitability of capital, drawing on new technologies and a shift in focus from production of goods to finance capital and services. Yet most attention has focused on the more visible *political* agencies that have facilitated this transition by changing national laws, policies and regulation – that is the role of national governments and the international institutions, notably the World Trade Organisation.

Today, this support structure appears to be coming unstuck. At the same time, the US as the dominant patron for international capital has decided there are greater gains to be made from striking out on its own. The current combination of economic and military imperialism reflects a new aggression that increases instability as it seeks to extend US hegemony and the dominance of its associated capital. These are not just the acts of a political elite intent on preserving and expanding its power. They reflect a growing sense of insecurity. Since the mid-1990s the prospect that states would voluntarily and comprehensively submit to neoliberal globalisation has receded. Market failures have set in. Poster girls, such as Argentina, have sunk into an economic, social and political quagmire. Competing superpowers, notably China, have emerged on the scene, while renegade governments have been elected, such as Chavez in Venezuela and Lula in Brazil. Social movements, mobilising nationally and internationally, have intensified the pressure on governments. This in turn has helped to sink a number of international initiatives that were intended to promote global economic policymaking.

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Despite these setbacks, however, the power of international capital still seems overwhelming. Its relentless quest to maximise profits creates social, cultural and political fallout. This has been effectively contained in many countries through constant restructuring, new political techniques like the Third Way, and political repression. Yet there are signs, especially in the South, that this is now vulnerable. New transformational possibilities are emerging through the mobilisation of social movements that are influencing what happens on the national and international stage. New Zealanders will need to engage more with these realities if we are to have a say in the shape of our future world.

Let me begin with the 'here and now' and build an analysis from there. The collapse of the WTO ministerial meeting in Cancun this September means two of the last three ministerials have failed. Even the 'successful' Doha meeting only secured agreement to a new round of negotiations because it was held in the shadow of September 11. What seems extraordinary to me about Cancun wasn't the outcome - that was utterly predictable. It was that some, including New Zealand politicians, remain in denial about its significance.

It was obvious when the World Trade Organisation was created back in 1995 that it was a tin budgie that was never going to fly. It was a multinational body whose decisions would in theory be based on a consensus of its 140+ member governments, but which in practice would operate on a diet of super-power domination, economic coercion and political bullying. Its rules, reinforced by the IMF and World Bank, were designed to force member governments to surrender their countries to an aggressive new phase of capitalist expansion. The initial agreements on goods, services, agriculture and intellectual property favoured transnational corporations, finance capital and northern elites. Subsequent demands from poorer countries to revisit these agreements were sidelined. The richer countries insisted that in return for even discussing those concerns the WTO should expand into new areas that would increase their dominance and widen the inequalities.

The resolute stand by the Southern governments at Cancun over agriculture and the so-called Singapore issues such as investment and competition represented an important geopolitical realignment. For the first time since the early 1970s, they stood together and refused to buckle to the demands of the superpowers. Equally important, key governments acknowledged the central role played by both the NGOs who worked alongside them *and* by the 'uncivil' elements of 'civil society' — social movements who had been mobilising back home, as well as that week in Cancun, insisting that 'another world is possible'.

The outcome at Cancun further delegitimised an already fragile WTO and has left it paralysed for the time being. This combination of internal division and external dissent is not an isolated development. By 1997 a similar dynamic had deflated APEC's grand vision of free trade and investment by 2010 for the richer 'economies' of the Asia Pacific and 2020 for the poorer ones. In 1998 attempts at the OECD to negotiate a bill of rights for transnational companies,

known as the Multilateral Agreement on Investment, collapsed under similar pressures.

Warnings that this would occur were, and continue to be, routinely dismissed by politicians, media and business as the rantings of ideologically driven 'globophobes'. But it is *they* who are the ideologues, out of touch with reality. Most of the politicians, officials, journalists and industry lobbyists who I talk to barely seem aware that there is a bigger picture, let alone what dynamics are driving it and where it is heading. Those who *are* aware are often unwilling to say so publicly.

A classic demonstration of this was the parliamentary debate that followed the Cancun meeting's collapse. This was real headless chickens stuff. ACT blamed Labour for not having a coherent trade policy and supplicating itself to the US. For his part Bill English conceded that the Doha Round might never produce the goods and that there might well be no deals with the US or Australia. Nevertheless he somehow thought that Labour should do better. Peter Dunne, who was in Cancun as chair of the Foreign Affairs Defence and Trade Select Committee, portrayed the outcome as a hiccup rather than a catastrophe. He conceded that Southern governments would remain a force to be reckoned with in future WTO negotiations, but viewed their resistance as an obstacle for New Zealand and other Cairns Group members to overcome as they rethought how to get agriculture back on centre stage and inject some steel into the WTO leadership.

It was the Prime Minister's response that I found most disturbing, because she's intelligent enough to understand what's going on. First, drawing on a deeply flawed study of alleged gains to New Zealand from the Uruguay Round, Helen Clark denounced those who celebrated the meeting's collapse as "wreckers" who were prepared to cost this country \$1 billion a year. She portrayed the US and EU as flexible and willing to compromise, and the Southern governments who dared to say "no" as recalcitrant. Her patronising terms effectively applied Paul Holmes' infamous epithet to governments that represent over half the world's population.

The one thing the parliamentarians all agreed on was that Mike Moore would never have let the WTO meeting collapse. This is the same Mike Moore who oversaw the fiasco in Seattle in 1999, and who is on record as asking one Southern delegate at the Doha ministerial whether he wanted to be 'consulted or terminated'.

No political party except the Greens recognised that the collapse of Cancun reflects a deeper challenge to the model of globalisation to which they have intractably committed New Zealand. It is clear that New Zealand must now rethink our approach. The WTO is going nowhere. It is very likely that the Doha Round will break down completely. But even if it does eventually produce an agreement, that will not include major agricultural concessions from the US and EU. Any concessions they do make will be driven by their domestic imperatives and be conditional on their gaining further control for their transnationals over the world's services, manufacturing and intellectual

property. 'Consensus' agreement to such a deal will only be achieved by coercion and will impose undeliverable obligations on many poorer countries.

Negotiating bilateral or regional agreements looks even less promising. The major powers, the US most firmly, believe they have got as much as they are likely to from the WTO for now. To secure a better deal they would have to make concessions that are politically unsaleable. Hence, their shift to focus more on pragmatic bilateral and regional arrangements – a shift designed to further their international ambitions, while minimising the costs at home.

This was already happening before the collapse at Cancun. That is why the US wasn't too fussed about the outcome. It is now focused on two objectives. The first is to reproduce internationally the conditions that maintain the profitability of US capitalism. The second is to make any economic engagement conditional on those countries surrendering their foreign policy to the US. As one senior US trade official put it in April this year: "Why shouldn't we use trade policy to reward our friends and hurt those who don't support us?" A recent trade deal with the 48 countries of Sub-Saharan Africa explicitly says that their activities must not 'undermine US national security or foreign policy interests'.

What does this mean for New Zealand's fallback policy of bilateralism? Our trade ministers and senior diplomats have enjoyed privileged access to the inner circle at the WTO because they have taken an ideologically pure position that the US found useful in a multilateral setting. In bilateral negotiations, the US will see New Zealand's ideological purity as a liability.

Despite reassurances that New Zealand will not accept a deal that lacks significant gains for agriculture, the US will set the terms. For a reality check look at Australia. Despite being the US proxy sheriff in Asia, reports suggest it's being offered a deal that contains almost nothing on agriculture. In return the Howard government is expected to guarantee extensive and enforceable rights for US transnationals over Australia's manufacturing, services, culture, natural resources, intellectual property and government procurement. Farmers, manufacturers, service providers and many citizens have objected that Australia has nothing to gain and everything to lose. But they have no say in secret negotiations for a treaty that doesn't require the Parliament's approval.

Compared to Australia, New Zealand is economically and geo-politically insignificant. The terms the US sets for any deal with us would be far more draconian and we have a much less diversified economy to survive the impact. Recent US hit lists have objected to New Zealand's vetting of overseas investments and Fonterra's ownership and monopoly regimes. As US Ambassador Swindell has made abundantly clear, one pre-condition for New Zealand being invited to negotiate such a lousy deal is the repeal of the anti-nuclear legislation. US foreign policy demands won't stop there. Even if we comply, they might still say no.

A free trade and investment treaty would render New Zealand an economic and political satellite of the US. Politicians in ACT and National, supported by many in business, would apparently surrender us tomorrow. Some day they may become the government. Labour's leaders still insist, genuinely I believe, that the antinuclear policy is not negotiable. Yet they are constantly seeking other ways to appease US imperialism.

They do have a problem. If the WTO remains paralysed and Labour sticks to its anti-nuclear guns, the option is to seek bilateral agreements with other peripheral governments, such as Chile, Mexico and Thailand. Such negotiations are driven more by shared ideology than expectations of any significant economic gains. The deal with Singapore has already shown that New Zealand exporters stand to lose even then.

The proposed deal with Hong Kong has stalled because it would effectively mean unrestricted entry for Chinese clothing and textiles. The likelihood of zero tariffs by 2010 is likely to remove that barrier. But we have no idea of what a free trade and investment agreement with China would really mean. Again, New Zealand seems well down China's list of priorities; may it long remain so.

The remaining option is deeper integration with Australia through an expanded CER and a common currency. Australia appears profoundly uninterested. It would set the terms for any such negotiations and, given the current penchant for mimicking the US, may demand an equally intolerable price.

Looked at empirically, the current strategy has us heading down a dead end street. The strategy is also futile as a matter of policy theory. Let me explain why. Moves to establish the WTO came relatively late in the transition from the Keynesian welfare state and state-socialism to neoliberalism – a transition prompted by the declining profitability of capitalism by the 1970s. It was a time when finance capital became increasingly delinked from actual production, and services assumed a new commercial prominence. An emerging elite of managers and professionals exploited new technologies to get around constraints that national governments had imposed.

Paradoxically, replacing those policies with a new template that would liberate capital needed the cooperation of those same governments. Often this has been achieved through debt conditions imposed by the US-dominated Bretton Woods institutions of the IMF and World Bank. Sometimes, the so-called Washington Consensus has been adopted voluntarily, as in New Zealand.

The WTO offered a means to achieve near-universal adherence to the new paradigm and to prevent governments from retreating. Countries that break the rules face potentially crippling sanctions - except for the major powers whose economic strength leaves them relatively immune. Countries that stay outside or seek to break away lose the guarantee of market access and face discrimination in most other countries of the world. Increasing countries' exposure to WTO rules make them more dependent on international capital.

That dependency dominates government decisions about tax and spending, labour markets, monetary policy, environmental regulation and more, even though these currently fall outside the ambit of the WTO.

Hence, advocates have described the WTO as the first truly *global* rulemaking body. The WTO's first Director General Renato Ruggiero explained, in the context of negotiations for the MAI: 'We are no longer writing the rules of interaction among separate national economies. We are writing the constitution of a single global economy.'

Although the WTO is clothed in the benign language of neoclassical trade theory and comparative advantage - and it is this theory which New Zealand's policy relies on - it was never about promoting competitive global markets. The aim expressed by the global corporate alliances was and is to strengthen their control over all potentially profitable aspects of life. Their ultimate vision is a world where the mobility of capital is unrestricted; where markets for goods have no borders; where services (whether social, cultural or infrastructural) are fully commercial and controlled by transnational enterprise; where mega-corporations have enforceable monopolies over technologies and knowledge; and where the overriding role of national regulation is to facilitate markets.

The problem for the grand corporate vision is the assumption that economic relations can be detached from the social, political and ideological realms in which they are embedded. Both experience and critical theory tell us this isn't so. It's hardly surprising, then, that the WTO has failed to achieve the legitimacy that it requires. When it was being created during the Uruguay Round of the GATT, there was relatively little resistance. The process was shrouded in secrecy. Novel ideas like 'trade in services' such as education were not well understood. Nor were the implications of agreements on intellectual property rights and investment measures.

That has changed. Building on critiques of neoliberalism at the national level, social movements, NGOs and intellectuals have severely damaged the claims that are made for the WTO. Some NGOs, such as Oxfam, and the international trade union body the ICFTU, still aim to reform the WTO. But more and more critics are now seeing the WTO as irredeemable. Social movements that span the national, regional, sectoral and international stage are engaged in an increasingly coordinated resistance that is driven by local experience of alienation and exploitation. They are demanding economic and political decolonisation. Their targets are the international regimes that promote and enforce policies that are designed to empower international capital *and* the governments that try to implement them. And they are having an effect.

This intensifies pressures that paralyse the WTO internally. Under neoliberalism, the state is expected to maintain conditions favourable to capital. But most of the governments that make decisions within the WTO are democracies of one kind or another. Democratic governments are dominated by the interests of competing national elites, but they must also maintain buy

in or at least acquiescence from ordinary people who need jobs, schools, hospitals, safe water, clean air and personal security. Powerful democracies, especially the Quad countries of the US, Canada, EU and Japan, face contradictory imperatives. On one hand they must placate their domestic constituencies. On the other hand they must advance the interests of their associated capital offshore. Governments that are not democratic, such as China, also aim to advance the interests of their national elites. No-one knows how those interests may end up being defined.

These political imperatives are bound to intrude when the WTO claims to operate through a consensus of every member. As the more dominant powers seek to neutralise that tension through coercion, bullying and bribery, or bypassing formal procedures, they further delegitimise the institution and invite a concerted resistance by governments that give priority to their national objectives – as we saw in Seattle and Cancun. When the most powerful of them set up their own game, a variation of the same contradictions will emerge, especially when they are backed by overt repression.

New Zealand therefore needs to conduct a hard headed debate about the consequences of maintaining an ideologically pure globalisation line and to explore some alternatives. But that's only part of the challenge. The institutions of global economic policy making may be showing signs of crisis. But the dominance of international capital and its protective shield of neoliberalism remain. This is a stark reality for New Zealand. We are deeply exposed to the power of internationalised capital. Very little of our limited manufacturing capacity has survived and few new industries have risen from the ashes. Almost all our transport, communications, energy, media and financial sectors and many of our natural resources are controlled by foreign investors. These investors have a history of siphoning off short term profits with minimal reinvestment, leaving behind a fragile infrastructure and a chronic deficit in the balance of payments. Several decades of trade liberalisation have created equally chronic import dependency, measured in distressingly recurrent trade deficits. Relentless pressure has maintained a low tax regime and fiscal austerity, at the price of a dilapidated social and physical infrastructure. Market failures in privatisations, such as Air New Zealand and TranzRail, or in light handed regulation of telecoms, electricity, buildings and taxis are forcing a reluctant government to step back in.

These neoliberal policies shape New Zealanders' lives. Some suffer hugely. Relative poverty remains a reality for one quarter of our families, especially in Maori, Pacific and new migrant communities. There is gaping inequality. Neoliberalism has intensified the legacy of colonisation, racially exploitive immigration, gender and class divides. Yet that reality has now become normalised. We express outrage at each new report of deaths blamed on our dilapidated mental health and children's services, but we no longer rage against the obscenity of massive budget surpluses or that they are seen as an opportunity to cut taxes for the rich even further.

Charges for essentials, such as water, education and health care are normalised too. Mayors talk in blasé terms about toll roads encircling

Auckland, with no need to explain how someone on a benefit or the minimum wage is supposed to get around – or what happens when workers who have to rely on public transport routinely arrive at work one hour late. Five percent unemployment is hailed as a success story; we no longer ask what that ‘employment’ means. Instead, we celebrate Labour Day when very few in either the professional elite or the unskilled workforce can remember a 40 hour week.

Many Pakeha express outrage at Maori claims to the seabed and foreshore; yet few objected as a wealthy, often foreign, elite secured private property rights over the same ‘common heritage’. Maori positions are not consistent either. The debacle over who gets to share the dividends from commercial fisheries has obscured the original goal to reclaim rights over the fisheries as a matter of tikanga and tino rangatiratanga to build a development strategy that allows small fishers in local communities to catch and sell fish. Today, the ‘Maori fishing industry’ operates in joint ventures with foreign companies. Few of its earnings have yet to trickle down. According to Te Puni Kokiri, itself a Crown agency, the new pathway to Maori liberation is an autonomous Maori economy that floats free of the colonial state in a competitive global market place.

New Zealand is not unique in facing this. Almost every critical analysis I have read recently notes the durability of neoliberalism and the ability of international capital to ride out the crises and contradictions. Some argue that global capitalism is infinitely sustainable. Former Marxist, now committed Blairite, Lord Meghnad Desai in his book *Marx's Revenge* bases this conclusion on the process Shumpeter described as ‘creative destruction’. Globalised markets for production and finance face constant cycles, crashes and recoveries. Jobs are destroyed as economies are restructured and capital recovers its profitability. Workers whose livelihoods depend on their own exploitation and who once derived their strength from their ability to combine, find this is neutralised by globalisation because capital is mobile and labour is not. While governments come under pressure to respond, they can only push capital so far before it migrates. So they discipline their responses in ways that maintain conditions that attract and retain capital in the face of competition from other countries. Desai sees nothing to suggest that these cycles of creative destruction won’t endure.

Alternatively, the state may not be able to contain the tensions that are created as economic and political control is progressively concentrated in the hands of international capital. Bob Jessop, for example, in *The Future of the Capitalist State* explores four political management strategies. Since the 1980s the strategy of *neoliberalism* has been the driving force. States have limited their own power, liberated market forces and internationalised their domestic economic space. Jessop says this proved effective as a transition strategy from Keynesian welfarism and state socialism. But neoliberalism has a raw impact. That puts governments under intense political pressure to intervene. Today these impacts tend to be smoothed by grafting strategies of *neocorporatism* and *neostatism* onto *neoliberalism* under the rubric we know as the Third Way.

Neocorporatism tries to relieve the pressure on government legitimacy by balancing competition and cooperation through 'partnerships' between various 'stakeholders'. This takes a broader, but more uneven and selective, form than the old-style of corporatism between government, labour and capital. The partnership with business takes precedence over others with unions, local government or Maori. The state's role is to implement these 'negotiated' outcomes.

Neostatism sees central and local government play a more active role in guiding the development of market forces. For example, government sets strategic targets to increase the dynamic efficiency of the economy by focusing on new technologies and innovation strategies. It provides infrastructure such as roads, schools and hospitals through public/private partnerships. It launches active skill development programmes such as modern apprenticeships. It sets about restructuring declining industries like the clothing sector and supporting new ones, such as export education.

Jessop suggests this political management strategy can only be sustained by a new social compromise where people identify their fate with the success of global capitalism and accommodate themselves to rising inequality, exploitation of the environment and dominance by a few corporations and capitalist powers. Such buy-in becomes more likely when workers' pension plans and government owned superannuation funds are invested in the international sharemarket. Or when returns from Maori resources such as fisheries or forests depend on favourable global commodity markets, exchange rates and foreign investors. Or where professionals can pay off their student loans by taking well-paid jobs overseas. Or simply because people depend for their income on wages, and can't find better paying jobs to supplement a dwindling social wage.

Problems arise when that social accommodation can't be maintained. For example, a commitment to fiscal austerity, based on low debt, low tax and budget surpluses, may mean the provision of core services like health, education, electricity, transport, post and broadcasting can't be sustained. Risk increases when the collapse of international markets plunges the economy into a recession. Unemployment rises, but there is a minimal safety net and the government says it can't redress the rising rate of poverty and inequality. Where the impact on already impoverished and disaffected communities provokes social unrest, the veneer of democracy can easily give way to a divisive and authoritarian backlash. Foreign investors or currency speculators who focus on short-term gains can heighten the risk of economic, social and political instability. When those investors have bought or been contracted in partnerships to run the country's infrastructure, government faces demands to step back in. When these factors coincide, the harsh realities of people's lives make them much less accommodating. In such a serious crisis, alternatives that were once deemed unthinkable can emerge.

This scenario seems most likely to occur in countries of the South. Argentina is the *exemplar*. But we should not assume that it could not happen in New

Zealand – especially with a return to raw neoliberalism under a Brash/ACT coalition. Nor should we assume that New Zealand can remain quarantined from the impacts of such turbulence elsewhere. Even more threatening are the spillovers from countries, such as Afghanistan and Iraq, that are forced to adopt crude neoliberalism by an occupying imperial power that is intent on plundering their resources and syphoning money into the pockets of its transnationals.

Jessop has a fourth scenario, which he calls *neocommunitarianism*. This is premised on a social economy, as opposed to a market-driven economy. It re-embeds the economic in the specific place and time where it operates. Social use-values take priority over exchange value. Free market competition is limited, especially the extension of capitalist logic to previously non-commodified areas of life, such as culture, education and water. But that's as far as Jessop takes it. He excuses himself by arguing – as I have myself – that developing such alternatives must be a collective and democratic exercise conducted on a broad-ranging, multi-national stage, not a unilateral dictate delivered by a political theorist.

This exercise is now happening. The most commonly cited example is the World Social Forum where philosophical debates are being fleshed out with examples of actually working alternatives. These are drawn from and fed back into various countries, sectors and regions. But the Social Forum's potential to provide an effective counter-force tends to be romanticised and it lacks credibility when pitted against the juggernaut of neoliberal globalisation.

To build a belief that there really are alternatives requires something more substantial and concrete. I want to explore one such development that is beginning to transform the debate on agriculture and fundamentally challenges the ideas on which New Zealand's current strategy is built.

Inside the Cancun meeting the net food importing countries, the impoverished cotton producers of sub-Saharan Africa and the G20+, led by Brazil, had to frame their demands as exceptions to a WTO agreement that promotes the interests of northern agribusinesses. The failure of Cancun has made that model more vulnerable and creates more space for social movements to insist on a different approach to food and agriculture.

This alternative was showcased in Cancun at the three-day indigenous and farmers forum convened by Via Campesina, whose affiliates claim to represent 60 million farmers across 46 countries. They shared knowledge and strategies around common issues of land ownership, access to food, biodiversity, water, the impact of commercial forestry, fisheries and tourism, and the exploitation of farm workers. Significantly, their message of unity and internationalism was expressed through a rich diversity of cultures and identities.

The forum culminated in a mobilization at the barriers that were erected at Zero Kilometres to protect the WTO meeting from the masses. It was here that the South Korean farmer Lee Kyong-hae climbed the broken barricade

and sacrificed his life. The placard he was holding - "WTO Kills Farmers" - gave voice to the thousands of desperate farmers throughout the world who commit suicide each year. They were joined in the streets by thousands more students, unions, NGOs and ordinary Mexicans who stood in solidarity over food as a life and death issue. Their short-term goal was the collapse of the Doha negotiations on agriculture. Their longer-term objective is to shift the focus from liberalization of agricultural trade to a food system based people's right to self determination.

Social movements such as Via Campesina are actively developing alternative agricultural strategies in collaboration with each other across the Americas, Africa and Asia. Their alliances bring together indigenous and peasants, workers and trade unions, intellectuals and sympathetic national and local politicians in an increasingly effective counter-hegemonic movement. Sometimes they are met by repression. Sometimes their governments feel impelled to shift ground. This affects not just the government's makeup and priorities, but also its alignment with other governments in regional and multilateral negotiations and the more basic relationship of the state to international capital. Such social movements are now reshaping what happens on the national and international stage.

A complementary position has emerged from the International Union of Food, Agricultural and Allied Workers (IUF) whose affiliates represent 12 million workers in 120 countries. This is especially significant because unions affiliated to the ICFTU have historically been weak on globalisation.

For the IUF, agriculture is a life and death issue too. They object that "the right to safe, adequate and nutritious food, and the collective rights and interests of 450 million agricultural workers are *affected* by the Cancun agenda, but are not *on* the agenda." Although the world food system generates over US\$500 billion in agricultural exports annually, eight million people die each year of hunger and hunger-related diseases. Another 840 million people go short of food, farmers and agriculture workers among them. The conversion of land to grow non-traditional export crops leaves poorer countries even more dependent on imported food. This fuels the dominance of conglomerates like Cargill, ConAgra and Tyson over the world's food supply, while agro-chemical giants like Monsanto, Bayer and Dupont require contract farmers to use high yield seeds based on GMOs. Companies like Monsanto and Nestle, meanwhile, are moving to control that other essential of the life and food cycle - water.

The IUF insists that the problem is not with subsidies *per se*, but how they fuel control of the world's food system by these few corporations. Most US and EU subsidies go to northern agribusinesses. This allows them to export food at below the real cost of production. Local food producers can't compete with them. Small farmers in both rich and poor countries suffer the same syndrome. What's needed, says the IUF, are agricultural subsidies that support socially and environmentally sustainable agriculture, provide public services to rural communities, and promote job creation and an end to rural

poverty. New patterns of trade based on these priorities are needed on a regional basis and should be supported internationally.

This is not a readjustment that can be achieved within the WTO paradigm where the object of 'global agriculture' is to increase the value of agricultural goods exported overseas. The capacity to produce local food to meet local needs and pursue sustainable social objectives in agriculture, including decent work, has no place in the WTO's corporate-dominated vision.

New Zealand's obsession with the interests of agriculture exporters means we have almost no understanding of this bigger picture. Yet the debate is as relevant to us as it is to the Third World. Transnational agribusinesses increasingly control the production of food in New Zealand, from the intellectual property over seeds and embryos through to processing, marketing, transport and retail. If shares in Fonterra become tradeable and it ends up like ENZA in the hands of asset strippers such as Guinness Peat Group or a joint venture controlled by Nestlé, farmers will become captives of global corporate strategies and price takers in short-term competitive supply contracts. They will have to plant GE seeds whether or not they - or we - like it. The trend towards corporate farming with tenant farmers is already transforming our rural communities and farm labour practices. That will intensify. In the 1980s we saw deeply indebted farmers committing suicide; we could see that again. Maori especially would struggle to maintain control of land and production practices.

The real question for New Zealand is not how to get more lamb carcasses into the US or butter into Europe. It's what forces will shape our future as workers in farms, meat works, supermarkets and ports; as consumers wanting GE-free food; as rural communities concerned to sustain access to essential services; and as Maori, claiming recognition as the ultimate guardians of the land, fish, forest, plants and knowledge that sustains our existence.

Most fundamentally, and almost inconceivably, for New Zealanders this is about a choice between continued recolonisation by international capital under the mantle of the WTO and bilateral agreements, or decolonisation by reasserting a right to determine our own development and alternative approaches to trade. Realistically, we can only create the space to open that debate by joining forces with each other within the country and building alliances with social movements and sympathetic governments internationally.

For those who expected a talk entitled 'Recolonisation or Decolonisation' to centre on constitutional reform, te Tiriti and the flag, or to respond directly to Chris Trotter's lecture last year, let me offer this final observation. What I've talked about are the underlying dynamics that are shaping our future. I'm not predicting the imminent collapse of global capitalism. But we are increasingly seeing social movements engaged in what, in traditional Gramscian terms, we would call a counter-hegemonic war of position. And they are having an international impact. For the reasons I have outlined, these movements are likely to be centred primarily in the South, alongside those, such as indigenous peoples, who constitute the South in the North. But there are

important opportunities for us to forge alliances. For that to happen we must be able to transcend single-issue politics *and* to transcend eurocentric and patriarchal stereotypes of class. Any changes we achieve will only be truly transformational if political, economic and cultural decolonisation are seen as inseparable.

The New Zealand we have known for the past century is set to change dramatically in the next decade or two. If we want a say in that future, we need to abandon the current road to nowhere, we need to take off our blinkers, we need to engage with the realities that are already reshaping the future and we need to build alliances with others who believe that together we can create a better world.