

**New Rights New Zealand:  
Myths, Moralities and Markets**

**by Dolores Janiewski and Paul Morris**

**Auckland University Press, 206 pp, \$34.99**

This book is a blast from the past. Through the 1980s and '90s a succession of academics and journalists – Jane Kelsey, Brian Easton, Bruce Jesson, Paul Dalziel, Jonathan Boston, Simon Collins and Finlay Macdonald, to name a few – wrote diatribes about New Zealand's economic reforms. They harped on about 'failed policies' and a takeover by a mythical 'New Right'.

Several years ago this flow of material dried up. Facts overtook the debate, the benefits of the reforms were plain to (almost) all, and market-oriented policies were seen to be internationally orthodox. Some of the critics even had the grace to say 'sorry'.

Now out of the blue comes this throwback from Janiewski and Morris, academics from Victoria University, with no background in economics, still gripped by the spectre of the 'New Right'.

As I wrote in 1997, "I have yet to meet anyone who regards themselves as part of the 'New Right' or holds the views attributed to it. The term is a substitute for thought and is meaningless historically, politically and in every other way."

The inaccuracies and misrepresentation in the book beggar belief. It is hard to know whether they reflect ignorance or wilful distortion.

Two instances: the authors state (p 78) that "[Adam] Smith argued that the market, when given free rein, allowed the pursuit of self-interest to produce the collective good." This is a caricature of Smith's 'invisible hand' metaphor.

They tell us that “The proponents of the New Right insist that the market will always deliver better or purer outcomes than the distortions caused by any government interventions.” This is pure myth. Anyone interested in testing this claim should read Chapter 14 of the Treasury’s 1984 *Economic Management*. It noted that “Few, if any societies leave the entire range of ‘economic’ activity to be determined by market outcomes”, and argued that the relevant question was not whether the government should intervene but “what set of interventions is most appropriate?”

Some of the material seems wilfully misleading. For example, reference is made (twice) on p 97 to Roger Douglas’s Guaranteed Minimum Family Income scheme as the ‘*minimal* family income’ scheme.

Factual errors abound: it was news to this reviewer that he had been seconded to the Australian Treasury and met Anthony Fisher of the Institute of Economic Affairs (p 47).

Nowhere do the authors engage seriously with liberal arguments: their style is simply to list proponents and critics of views and side with the latter. For example, they report (p 163) “an Anglican bishop” (actually Archbishop Brian Davis) as supporting the views of writers like David Green and Michael Novak about the moral properties of markets, and then without evaluation recite the criticisms of other ‘church leaders’. The latter have gone strangely silent in recent years, despite the Labour government maintaining most previous policies and not reversing the 1990s benefit cuts (or is it just because of the change of government?).

The book is bereft of any economic and factual understanding. It talks (p 175) of “the end of political commitment to full employment” at a time when New Zealand has the lowest unemployment rate in the OECD! We read, “The market in practice continually failed to deliver the promised benefits” when even the Clark government has put the economy’s strong performance down to the economic reforms and stopped talking about ‘failed policies’.

No serious economist ever argued ‘There are no alternatives’ to a programme of economic liberalisation. Of course there were: the issue was

whether they made sense. As the authors say, Brian Easton proposed “a return to a corporatist consensus” (p 33). Who advocates that today?

As an account of the economic and intellectual influences behind market liberalism, the book is a confused and illogical mess. My advice to anyone considering using it to understand the thinking behind the changes in New Zealand in the last 20 years is: don't waste your time. Stick to orthodox economic sources: professional journals, international agencies, Treasury and Reserve Bank publications – or just read the London-based *Economist*.

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