

The Sharing Game

Speaking notes for the Goethe Institute/New Zealand Initiative panel

23 November 2015

Michael Reddell

(www.croakingcassandra.com)

I'm an economist by training. Much economic analysis proceeds at the level of the individual. But it is the nature of humans to form communities, whether for pleasure, for production, for protection, or for mutual support.

There are no human clones. So the communities that we form are with people who are different from us. At a most basic level, my wife isn't me. And we gain from those differences. My wife brings strengths and perspectives that I don't. Same goes for sports teams, or project teams in workplaces. And in economic terms, the gains from trade arise largely from specialisation - different people concentrate on doing different things, and through trade we can all benefit. . And the gains from trade and interaction arise in our local communities and internationally. Coffee, for example, doesn't grow well in Wellington.

But if everyone is different, it is nonetheless true that we tend more often to form and sustain strong bonds ("communities") with those with whom we have more in common.

"Culture" is really the shared values and understandings of communities. Shared views about what matters, who matters, how things are done, and what is just not done. Things like a variety of different cuisines or festival celebrations are just the colourful ephemera. And much of culture isn't written down - it is tacit understandings and knowledge, and disciplining mechanisms. Which behaviours are rewarded and which shunned. Every society - state, family, club or church - has those rules.

But what about a "nation" or state? States write down and formalise the rules, and use the coercive power to enforce them. – But then whose values will determine what rules are to applied to me? Which values will shape who we ally with as a country? Which people we support financially, and which we don't?

Democracy is our preferred mechanism for making collective decisions at a national or local government level. But there is nothing natural or inevitable about that mechanism. And on my reading of history, democratic arrangements are likely to be effective, and enduring, only to the extent that there is a strong common – or at least dominant – culture underpinning them. Things that unite people must be more important than those which divide them. Historically, shared religions were the epitome of that common set of shared beliefs and practices. That never meant every one was equally devout, but everyone more or less recognised "the way things are done around here".

The blurb for this event posed the question "is a bicultural society a Utopia?". Somewhat provocatively, I think a mono-cultural society is the (desirable) Utopia - especially if we want

democracies to persist. It is how people have typically lived through history. A single dominant culture is the uncomfortable second-best.

Of course, since perhaps 1800 - and certainly since 1840 - New Zealand has not been a mono-cultural society.

The dominant culture of Wellington today is not that of the descendants of the people who lived here in 1839. It might be a culture that suits many or most of us, but the new culture - and new people - swamped the old. Descendants of the 1839 inhabitants might (probably are) better off than they would have been without large scale Anglo immigration, but how should, or do, they weigh that gain up against the displacement, the loss of mana, the sense of being marginalised in their own land? To the extent that there is an underclass in New Zealand, unfortunately it is disproportionately Maori. Decisions in modern New Zealand reflect, primarily, the weight of numbers, and those numbers are not Maori. Things that Maori culture values are sometimes dismissed or treated lightly in modern New Zealand. That is not a small thing. None of this is to suggest that every Maori person sees things the same way - there is diversity in all cultures - simply to note that there is something meaningful in the phrase "Maori culture" and it is not the dominant culture in New Zealand today. One might wonder whether the Maori chiefs who sought British sovereignty and law and order, would have been quite so keen had they realised quite the extent to which Maori would be displaced in their own country. But perhaps their only effective option was the French instead.

For a long time, of course, we largely masked the issue. After the land wars, not only was one culture clearly dominant, but Maori and European lived largely in different worlds, at least until the great urbanisation of Maori after World War Two. For a long time, Maori numbers were very small too. The clash of cultures is much less avoidable today.

Multi-national states and empires probably functioned smoothly enough in a non-democratic age. In the Ottoman Empire, large Christian and Jewish populations co-existed with the dominant Muslim population, but in submission to it. There was no question as to who was in charge and who made the rules.

But I can't think of many examples of successful democracies where there have been really big divergences between big population groups - be it race, religion or whatever. In our own part of the world, the contrast between Fiji and the rest of the Pacific has been fairly striking. And if we look globally, we can see countries like Singapore, South Africa, Russia and Malaysia. The jury might still be out on South Africa, but none of those societies counts as a robust democracy. Curiously, Israel - with a large Arab (mostly Muslim minority) might, for the moment, count as a rare counter-example

Of course, the common response will be to cite the United States. But I think that is to overstate the level of diversity in the US. Even today, only around 15 per cent of the country is foreign born (more than 25 per cent of New Zealand). The native American Indian population is very small. And the overwhelming bulk of US immigration, throughout history, has been from countries that have been shaped by the Western Christian traditions. There are important differences in cultures - British people are not the same as French people, let alone El Salvadorans - but they are probably ones the melting point can more or less handle over time. Towns in the mid-west made of people descended from Swedes, Germans, and Irish probably don't have too many problems. But even in the US,

there was Reuters/Ipsos poll this last week in which 53% of Americans reported feeling like “strangers in their own country”. Anyone following the presidential race may not be overwhelmed with confidence in the US democratic process.

Democracy seems to require a strong dominant common culture - the shared assumption and tacit understandings that enable the continuing differences, and sometimes hard issues, to be grappled with successfully.

Clashes of culture are not necessarily primarily ethnic or racial - although historically, culture and race and religion were typically all bound together. Religion was perhaps the peak form in which the values of a culture and society were expressed. Britain, Holland and Scandinavia were historically quite ethnically similar, and shaped by dominant Protestant cultures for hundreds of years, Holland or Denmark or Norway would be different places if 10 million Britons relocated to each. The natives would probably not welcome such relocations, even if it made no difference to GDP per capita, much as they might find an individual English person very agreeable.

And, of course, clashes of culture can arise even within well-established countries. I’ve already touched on the tensions between the cultures of Maori and European New Zealand. But as religion has declined in the West, serious tensions opens up between those who believe, teach, and practice traditional forms of faith and those who don’t. They often have quite different views as to how things should be done, and what should be banned, promoted, or shunned. We see it within historically Christian societies as well as historically Muslim ones. I’m a conservative Christian, and on the things that matter most to me, I might in many respects have as much, or more, in common with practising Anglicans from Singapore or Uganda as I do with a typical Wellington secular liberal.

But I think there is a profound differences between clashes that arise within cultures - or within families - and those which governments actively give rise to. Beliefs and practices change through time, and societies need to find ways to handle those clashes and evolutions. But part of that is about a shared identity. I might profoundly disagree with my siblings or cousins about core values, and yet they are still family. In the case of nations, there aren’t the blood ties of family. It is as much about shared perspectives and memories. What will those memories be for “New Zealand” 50 years hence?

Almost whenever governments have an immigration programme, it is a piece of social engineering. The exception might be when an immigration programme simply brings in more people like those who are already here. But that is hardly ever. Our governments through until the 1960s largely brought in other British people. But as they did, they actively tilted the playing field further away from Maori, and towards the culture and values of European New Zealand.

And since the late 1980s New Zealand’s immigration programme has been skewed towards large scale inward migration of people who, in perhaps the majority of cases, are quite unlike those who were already here - not as a matter of active targeting, but simply because people most want to immigrate from poor countries, and the countries most like us are already rich. We target 45-50K per annum non-New Zealand permanent arrivals per annum. Most have a different culture - sense of what is right, what is done, how it should be done etc - than those who were here previously. In a single year, it makes little difference. In a generation or two, it makes a huge difference. Forty years of 20K people from non-Anglo and non Maori cultures, and that is 800000 people. Unless

there is an implausible degree of assimilation, that is a very different New Zealand. The point isn't that it is a worse, or a better, New Zealand, but that it will be different. And it will in time pose a threat to the ability to make decisions together about policy for this community, New Zealand - choices about whom we support, what sort of rules we enforce, and so on..

It isn't clear what natural role of government this social engineering fulfils.

I see from time to time, people suggesting that the way to deal with all this - and the differences - is to have as immigrants only those who "share our values". But what are those values? And cultures are much richer than single paragraph statements of high level "aspirations". Tyler Cowen last week highlighted a new study showing that people from different countries have different concepts of honesty - not necessarily better or worse, but different. Within a culture, one can take more readily for granted common conceptions of honesty. I've seen David Seymour advocate that New Zealand adopt something like the Australian Values Statement. But even under that provision, people coming into Australia only undertake to "respect"; they don't pledge (or nor should they be asked to) not to campaign to change policies once they themselves are citizens. Frankly, these values statements are little more than virtue-signalling - accomplishing almost nothing. I stumbled recently on the preamble to the Charter of the United Nations - which has many worthy platitudes and despite those, countries such as Saudi Arabia and China, are fully functioning members of that organisation.

It makes people queasy to say but when we have a large scale immigration programme - and NZ has one of the largest globally (per capita)- our governments are making choices about the sort of society we will be (and won't be). They might be passive "choices" but all of them have implications for what sort of society we become, and in a majoritarian system each choice skews the ground against minorities (of whatever sort). I might favour allowing in mainly orthodox Christians - from whichever country - who might support the development of a Christian culture, and vote to outlaw abortion and same-sex marriage. How would I in good conscience support something different, that would undermine the sort of society I want for my kids? But many here might be more inclined to want to ban exactly such people - and for the same reason (in reverse). And, of course, every single immigrant diminishes the relative position of Maori in New Zealand. The majority might be quite comfortable with that. But what of the minority, once majority?

Large scale inward immigration policy - repeated large inflows - generally offers little to the host (like most other large scale government intervention), and are frequently counterproductive. . There are few or no economic gains to the recipient countries (as distinct from the immigrants themselves) from immigration - the income gap between say the US and Italy (major immigration receiver and largely not) hasn't changed much in 100 years or more - unless the incoming culture "swamps" replaces the institutions/culture that were there previously (as I think it is fair to describe the NZ/ Australian/Canadian experiences. And large scale importing of other cultures- even ones diverse among themselves - threatens the ability of countries to develop and maintain their own cohesive culture. Just like strong marriages, cohesive cultures enables their citizens to more effectively handle differences, to sustain the sort of high level of trust that allows societies and markets work better, and to reach and sustain agreement on what things governments will do and won't do. The shared memories and experiences, and tacit knowledge and understanding that

comes from living together over centuries, are part of what provide that (and always have). For the unique place of Maori in New Zealand, I think it is a particularly important consideration.

Of course, New Zealand's position today is different from that in 1840. If they had understood what they were letting themselves in for, they might have seen the prospect of a "new Britain". I suppose at least they could see what they were getting - people from the then richest, most powerful, and most successful society on earth. Today, there is no one other ethnicity or culture that will "swamp" groups who were here. Hindus from Indian or very different from Catholics from the Philippines, and those from Korea differ from those from China or Fiji. But re-forging a common culture from that diversity is going to be very difficult, especially as the pot is shaken up afresh each year. And we will face that challenge even without the misfortune of large scale Muslim migration, which now bedevils quite a few European countries .

Cultures are imperial in nature. Sometimes those claims are explicit - those of Christianity or Islam for example - but secularism is no less imperial in practice. And even at less dramatic levels, the way French people do things is different than the way Italians do them. Or Greeks. Or Brits. The way we do things, and what we value, reward, and punish etc is a large part of what culture is about.

New Zealand has already gone far too far with our mass immigration programme. It appears to have been economically damaging, retarding our prospects of catching up with the rest of the advanced world - and would have been regardless of where the migrants came from . But the potential threat to a sense of NZ society or polity is less tangible, but might be more serious still in the longer run (as for a number of similar countries). Given the choice, I'd cut our immigration programme by 80 or 90 per cent. Any society - culture can easily absorb more people like itself, or modest inflows of "the different", so long as they are of a size which over generations cumulate to modest stocks. But large scale inflows are simply social engineering, by an engineer who does not really know - cannot know (the limitations of knowledge) - what he or she is doing (what the long-term consequences are). The politicians' social engineering betrays no understanding of the importance of cohesion to make societies function effectively - including being able to adopt to changes and new ideas - in the long haul. And it impedes the efforts of NZers to find a way to live together, drawing on shared memories and common understandings realised over time about what is important to each. Sustaining a community and culture - just like sustained a marriage or family - requires something more exclusive about it than our political leaders have been cheerily promoting for decades.