



<http://researchspace.auckland.ac.nz>

ResearchSpace@Auckland

Copyright Statement

The digital copy of this thesis is protected by the Copyright Act 1994 (New Zealand).

This thesis may be consulted by you, provided you comply with the provisions of the Act and the following conditions of use:

- Any use you make of these documents or images must be for research or private study purposes only, and you may not make them available to any other person.
- Authors control the copyright of their thesis. You will recognise the author's right to be identified as the author of this thesis, and due acknowledgement will be made to the author where appropriate.
- You will obtain the author's permission before publishing any material from their thesis.

To request permissions please use the Feedback form on our webpage.

<http://researchspace.auckland.ac.nz/feedback>

General copyright and disclaimer

In addition to the above conditions, authors give their consent for the digital copy of their work to be used subject to the conditions specified on the Library Thesis Consent Form.

Māori Tribal Organisations and New Institutional Economics

Marama C. J. Findlay

**A thesis submitted in partial fulfilment of the
requirements for the degree of
Doctor of Philosophy,
Department of Economics,
The University of Auckland, 2006.**

Abstract

This thesis investigates the iwi (Māori tribal) organisations established in New Zealand in the 1980s and 1990s to manage resources being transferred as a result of Treaty of Waitangi settlements and the devolution of government services. The research has two objectives. Firstly, it aims to document iwi organisations' establishment and operation from the viewpoint of those working inside the organisations. Secondly, it compares insider perspectives with economic theories concerning the causes, consequences and development of economic institutions.

To address the first objective, the research gathers qualitative data for three iwi organisations and uses these to construct case reports. An inductive comparison across cases finds that while the underlying motivation for creating the iwi organisations is a desire to live as Māori, the immediate stimuli are opportunities negotiated with government. Iwi are chosen, in preference to other Māori groups, because of their size and traditional status and organisational success is dependent on meeting the requirements of both members and external parties.

To address the second objective, the research examines a number of theories from new institutional economics which assist understanding of the empirical findings. To adequately explain iwi organisations as a whole, however, and to assess the relative explanatory power of the theories, they must be connected into a single explanatory framework. The research constructs a framework using the concept of social capital, understood as the combination of all the socio-economic institutions operating to make collective action possible. The framework proposes that socio-economic institutions can have an influence and value independent of other forms of capital.

Viewing new iwi organisations through the constructed theoretical framework casts them as intermediaries, managing relational contracts between tribal members and external parties. The relational contracts with members constitute bonding social capital and are characterised by informal institutions of high intrinsic value, considerable relationship-specific social capital, transferability across tasks but not persons, and a preference for voice over exit. Relational contracts with external parties are primarily instrumental in value and formal institutions play a significant role; they show variability in the importance of informal institutions, relationship-specific social capital, transferability and preference for exit over voice.

The thesis presents an insider's view of new iwi organisations and then translates this view into the concepts of new institutional economics. In doing so, it contributes to two discussions: first, on the appropriate way to understand new iwi organisations; second, on the appropriate way for new institutional economics to understand society's economic institutions.

Dedication

Ki tōku whānau, me te arohanui

Nō koutou te kaha

He Mihi - Acknowledgements¹

‘Ehara tēnei mahi i te mahi takitahi, he mahi takitini.’

‘This work is not that of one person, but of many, many people.’

Ko te mihi tuatahi he mihi ki koutou nō ngā iwi kua homai ki ahau te manāki, te tautoko, me te kōrero. Ki a kouotu: Tom Parore, Hally Toia, Allan Pivac, Tepania Kingi, Steve Watene me Harold van Blommenstein no Ngāti Whatua; Sir Robert Mahuta, Kingi Porima, James Ritchie, Shane Solomon, Haydn Solomon me Niwa Nuri no Waikato; Whatarangi Winiata, Te Maharani Jacob, Rupene Waaka, Iwikatea Nicholson, Mason Durie, Turoa Royal, Gabrielle Rikihana, Wheturangi Walsh-Tapiata me Dennis Emery no Ngāti Raukawa, tēnā koutou, tēnā koutou, tēnā koutou katoa. Nō koutou te manawa o te mahi nei.

Ko te mihi tuarua he mihi ki a koutou kua ārahina i te mahi nei. Tēnā koe Tony Endres, Manuka Henare koutou ko Michael Powell. Nō koutou te kaha o ngā whakaaro i roto i te mahi nei.

Ko te mihi tuatoru, he mihi ki a koutou kua homai te putea me te āwhinatanga toi mō te mahi. Nā Te Ohu Kai Moana, Te Whare Wānanga o Tāmaki Makaurau, ā nā Paul Kelly etahi putea tautoko. Ki te Native Title Studies Centre, kia ora mō te tēpu mahi. Tēnā koe Chris mō te manāki; tēnā koe Marion mō te whakatikatika; tēnā koe Arapeta mō te reo. Nō koutou te waka mō te mahi nei.

There are three groups of people whose help made this work possible.

Firstly, I express my deep gratitude to the iwi organisations and the individuals from them who shared their time, reputations and personal stories. These include Tom Parore, Hally Toia, Allan Pivac, Tepania Kingi, Steve Watene and Harold van Blommenstein from Ngāti Whatua; the late Sir Robert Mahuta, Kingi Porima, James Ritchie, Shane Solomon, Haydn Solomon and Niwa Nuri from Waikato; and Whatarangi Winiata, Te Maharani Jacob, Rupene Waaka, Iwikatea Nicholson, Mason Durie, Turoa Royal, Gabrielle Rikihana, Wheturangi Walsh-Tapiata and Dennis Emery from Ngāti Raukawa. Their contributions form the heart of the thesis.

Secondly, I want to thank my supervisors: Tony Endres, Manuka Henare and Michael Powell. Their contributions were essential to the intellectual development of the thesis.

Thirdly, I wish to acknowledge those who provided material and technical support. Te Ohu Kai Moana, Auckland University and the Paul Kelly Scholarship Fund all provided financial assistance. Chris Woods gave logistical support in the early days of the research and the Native Title Studies Centre at James Cook University, Cairns, has hosted me as a visiting scholar in 2004 and 2005. Marion Findlay supplied editorial advice and Arapeta Hamilton assisted with te reo (Māori language). These contributions have provided the vehicle to travel the research path.

¹ A glossary of Māori terms and a note on the use of Māori in the thesis is included in Appendix Two: Glossary of Māori terms, 378. With respect to this page, the acknowledgement in English in the second half is an approximate translation of the Maori text.

Contents

Abstract.....	iii
He Mihi - Acknowledgements.....	v
Chapter One: Introduction	1
Thesis origins	1
Research questions.....	3
Overview of the thesis.....	5
Chapter Two: Methodology and methods	7
Introduction.....	7
Theoretical or empirical rigour? Making trade-offs and choosing a methodological approach	8
Methods of the new institutional economics	13
Qualitative, inductive, case study research in theory	17
Qualitative, inductive, case study research in the thesis	29
Chapter Three: Case studies	40
3.1 Te Rūnanga o Ngāti Whatua case report.....	40
Who are Ngāti Whatua?	40
Establishment of Te Rūnanga o Ngāti Whatua	41
Rūnanga structure, purposes and charter	47
Work of the Rūnanga: overview	52
Commercial activities.....	56
Health, social services and education	63
Treaty claims.....	67
Resource management and customary fisheries	69
Relationships	71

3.2 Waikato–Tainui case report	81
Who are Waikato-Tainui?	81
Brief history of the Kīngitanga, Raupatu, Tainui Māori Trust Board and Waikato Raupatu Claims Settlement (1995)	83
Overview of the new structure: Te Kauhanganui, Tekaumarua and the Waikato Raupatu Lands Trust.....	88
Work of the new structure: overview	95
Land, property and MDC Investments	98
Fisheries	101
Distribution: marae, education, sport and cultural grants	105
Article three services	107
Resource management, the Waikato River and the West Coast Harbours.....	109
Financial upheavals (1999-2001): reportage in the media and internal reflections.....	111
Relationships	114
3.3 Te Rūnanga o Raukawa case report	122
Who are Ngāti Raukawa?	122
Whakatupuranga Rua Mano: the Raukawa vision	124
Kōmiti Whakatinana and the inception of Te Rūnanga o Raukawa.....	126
Objects of the Rūnanga	128
Work of the Rūnanga: overview	129
Commercial activities.....	133
Social services and health.....	141
Treaty claims.....	145
Resource management	149
Te Wānanga o Raukawa.....	150
Relationships	152

Chapter Four: Cross-case comparison: explaining the establishment and evolution of new iwi organisations.....	159
Cross-case model.....	159
Opportunities negotiated with government	164
Intrinsic advantages of iwi over other Māori collectives.....	166
Iwi organisations: the legal form.....	176
Development of skills in iwi organisations: expanding by delivering on member and external requirements.....	178
Conclusion	189
Chapter Five: Comparison of the empirical findings with the new institutional economics-social capital literature.....	191
5.1 Creating a new institutional economics-social capital framework to explore new iwi organisations	191
Defining institutions as ‘recurrent patterns of behaviour’	196
Defining institutions as ‘recurrent patterns of behaviour’	197
Function of institutions: boundedly rational individuals and credible commitments.....	200
Classifying institutions	205
Conclusion	212
5.2 New iwi organisations as social capital	214
Social capital in theory.....	214
Institutional change by evolution and design.....	214
Interactions between bonding and bridging social capital.....	219
Transaction costs: the costs of creating and operating social capital institutions	221
Intrinsic versus instrumental value of social capital.....	228
Social capital in new iwi organisations	231
Nature of the social capital in new iwi organisations.....	231
Bonding and bridging social capital in new iwi organisations.....	234

Structuring costs and benefits to facilitate coordination and block defection in new iwi organisations	249
Conclusion	254
Chapter 5.3 Relational contracts in new iwi organisations	255
Relational contracts in theory	255
Matching governance institutions with transactions: Williamson’s discriminating alignment hypothesis	255
Relational contracts as a governance institution	259
Principal-agent relational contracts.....	265
Relational contracts in new iwi organisations	271
Summary of the relational contracts in new iwi organisations	271
Relational contract between members and representatives	274
Relational contract between iwi organisations and the Crown	293
Relational contract between the board of representatives and the chief executive officer (CEO).....	300
Relational contract between the iwi organisation and commercial parties.....	303
Summary and comparison of the characteristics of the relational contracts of new iwi organisations	306
Who ‘owns’ the new iwi organisation?	315
Conclusion	319
Chapter 5.4 New iwi organisations <i>qua</i> organisations: purposes, boundaries, internal structure and growth	320
Organisational purposes	320
Organisations as intermediaries	324
Organisational boundaries	327
Internal structure of iwi organisations.....	332
Organisational growth and development	337
Conclusion	341

Chapter Six: Conclusion	342
Overview.....	342
Methodological synthesis.....	344
Case reports and cross-case findings.....	345
Constructing a theoretical framework	348
Theory and empirical findings compared.....	350
Future work	367
Appendices	369
Appendix One: Case study bibliographies.....	369
Appendix Two: Glossary of Māori terms	378
Appendix Three: Notional iwi populations	382
List of References.....	385

List of Figures

Figure 1: Waikato-Tainui : The New Structure (c.1999)	90
Figure 2: The cross-case comparison model: the desire to live as Māori and the establishment and development of new iwi organisations	160
Figure 3: A new institutional economics - social capital framework	196
Figure 4: The relationship between specific institutions, behavioural regularities and behaviour in specific circumstances	199
Figure 5: Continuity between formal and informal, general and specific institutions .	208
Figure 6: Relationship between institutions, rights and obligations and transaction costs	226
Figure 7: Bonding and bridging capital in whānau and hapū, iwi and new iwi organisations (NIO)	239
Figure 8 : Relational contracts in a generic new iwi organisation.....	273
Figure 9: Two different patterns of principal-agent relations in the interactions between iwi organisations and the Crown	299
Figure 10: Comparison between Williamson's proposed relationship between asset specificity and unified relationships and the findings of the research.....	310
Figure 11: Separation between representative and operational sides of new iwi organisation	333
Figure 12: Core tasks of new iwi organisations	339
Figure 13: The cross-case comparison model: the desire to live as Māori and the establishment and development of new iwi organisations	347
Figure 14: New iwi organisations viewed through the social capital-new institutional economics framework	351
Figure 15: Relationship between the strength of collective institutions and individual well-being	353
Figure 16: The new iwi organisation bonding–bridging contractual continua.....	355
Figure 17: Bonding and bridging relational contracts in iwi organisations, the state and the firm	358

List of Tables

Table 1: Characteristics of the case studies - Ngāti Whatua, Waikato-Tainui and Ngāti Raukawa	32
Table 2: Financial measures of Te Rūnanga o Ngāti Whatua activities, 1998-2001	53
Table 3: Financial measures of Waikato-Tainui activities, 1995-2003	96
Table 4: Tainui Group Holdings financial results, 2003-2005	98
Table 5: Changes in the prominence of different Waikato relationships, 1995-2004..	116
Table 6 : Financial measures of Te Rūnanga o Raukawa activities, 1994-2002.....	131
Table 7: Gross and net income Raukawa Tauranga Ika Ltd.....	135
Table 8: How Treaty settlements, resource management, and services are shared between iwi organisations and other Māori collectives	172
Table 9: Importance of tradition (tangata whenua status) and scale in Treaty settlements, resources management and devolution.....	173
Table 10: Profitability, resonance and fate of commercial activities	181
Table 11: Comparison of financial losses across iwi organisations	183
Table 12: Characteristics of the bonding and bridging capital of new iwi organisations	236
Table 13: Ouchi's comparison of performance ambiguity and goal incongruence in markets, bureaucracies and clans.....	287
Table 14: Summary of the characteristics of the relational contracts of new iwi organisations	307
Table 15: Ownership in public corporation: distribution of rights to information, decision-making, residual income, transfer, exit and voice	316
Table 16: Ownership in the new iwi organisation: distribution of rights to information, decision-making, residual income, transfer, exit and voice	317
Table 17: Types of goods produced by the state, the firm and new iwi organisations (public, quasi-public, private) and nature of input supply and consumption (compulsory or voluntary)	322
Table 18: Core – periphery relational contracts in new iwi organisations	331
Table 19: Iwi organisation internal structure: allocation of tasks between in-house and subsidiaries	334
Table 20: Comparing new iwi organisations, the firm and the state as intermediaries	359

