

REPORT FOR OUR LAND & WATER

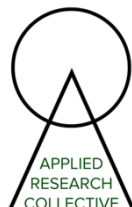
**TAUUTUTU:
WHITE PAPER
EXECUTIVE SUMMARY**

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OUR LAND
AND WATER

Toitū te Whenua,
Tōiora te Wai

National
Science
Challenges



INTRODUCTION

There is a new class of Māori agri-food enterprises operated by successful land trusts, incorporations, and iwi corporations that are becoming known nationally for their environmental leadership, social responsibility, innovation, and profitability. From a Western cultural perspective, these enterprises are thought to embrace a quadruple bottom line approach characterised by environmental stewardship, social responsibility, intergenerational wealth creation, and cultural revitalisation. While to some extent this is true, the indigenous values that these enterprises operate from are based on a deeper foundation, a foundation that also underpinned pre-European land-management patterns and economic systems of production. This white paper is a discussion of this deeper foundation, represented by the ethic and practice of Tauutuutu.

Tauutuutu is an indigenous way of thinking and acting that encourages communities and enterprises to make continual and growing investments, in terms of time and resources, into social and environmental relationships. Tauutuutu encourages returns from these investments to be distributed equitably, creating a virtuous circle, while at the same time motivating individual innovation and entrepreneurship. It also expands awareness of the connections and relationships between people and their environment, which encourages the adoption of new technologies and approaches for sustainable land management, productive activity, and enterprise formation. It is contended that the broad extension of Tauutuutu thinking beyond Māori agri-food and forestry enterprises to our land-based industries in general would generate significant positive environmental, economic, and social impacts. The active extension of Tauutuutu as a national approach presents the opportunity of indigenising our land-based production sectors, creating an agro-economy built on mutually-beneficial relationships within farms, across catchments, with wider communities, and with the environments in which they operate.

TAUUTUUTU

Tauutuutu entails an obligation to make escalating ‘investments’ that enhance the mana (dignity) and mauri (vitality) of individuals, human families, and related non-human families (land, water, and their offspring), with the expectation that such investments will be returned with equal or greater value at a later date. In pre-European and early colonial Māori society Tauutuutu principles

were taken very seriously and required that the fruits of a particular individual or group's productive activity be continually distributed to related individuals and groups. However, this occurred on the basis that these individuals and groups would provide the fruits of their production to at least an equivalent, but preferably greater value. The mana of individuals and groups escalated based on their ability to continually increase productivity, and distribute the fruits of this increased productivity equitably within the group. Mana grew with the ability to distribute rather than accumulate, which not only drove productivity and provided group security, but also encouraged innovation and entrepreneurship as individuals sought to grow their personal mana. The investment transactions between groups could be traced back generations in some cases, and they helped bind Māori society together, shaping contemporaneous and future transactions. Underpinning the process is the notion of utu, or balance, which is maintained through meeting see-sawing obligations. Today, Tauutuutu ethics are still active, although less formalised, and primarily operate via obligations to make social and economic investments in a way that builds the welfare and mana (dignity) of others with the anticipation that this will be reciprocated.

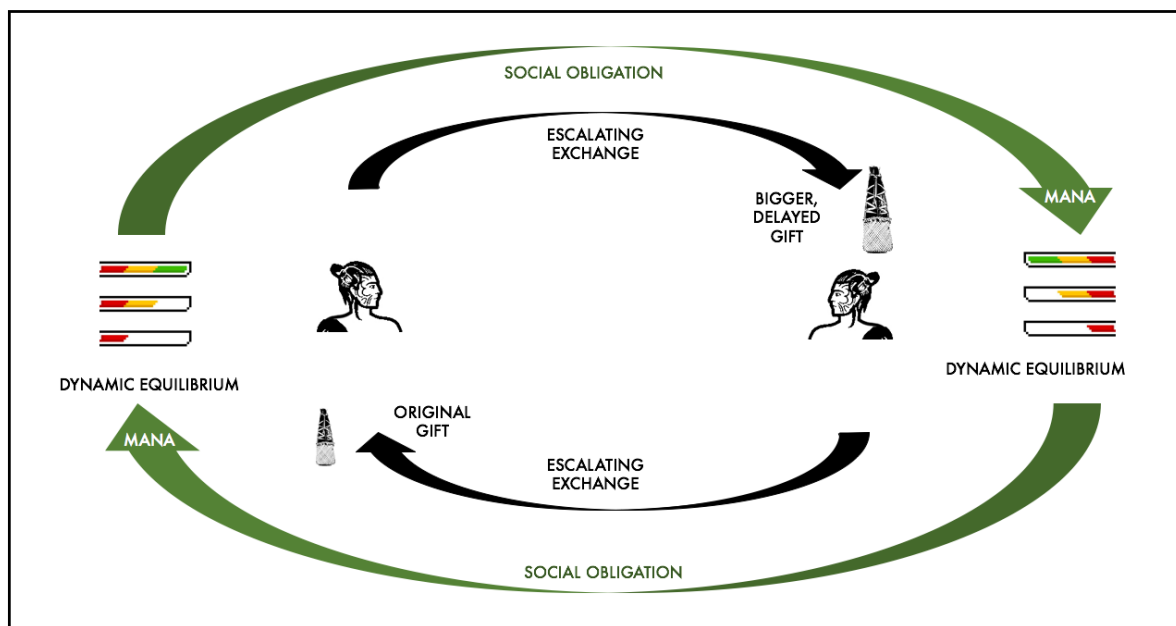


Figure 1. Tauutuutu Cycle of Escalating Exchange

In the environmental realm, Tauutuutu operates in a similar manner. Instead of the 'investments' being in people, the investment is placed into the non-human family (land, water bodies, and their offspring) in the form of respect, care, responsible management, and observances. In short, if society takes from the land and water it must give back the equivalent or greater value, with the idea that such investments will result in greater returns in the future. This is based on two

pragmatic, fundamental facts often overlooked in modern economic thought: that humans are reliant on the life-supporting capacity of the ecosystems in which we live and that the resources of these ecosystems are not infinite. In turn, this generates the insight that the prudent use and care for a resource today will ensure its capacity to provide in the future. The ‘hoped for’ result is symbiotic or mutually mauri-enhancing relationships between humans and their environment. These relationships between humans and their supporting ecosystems were enduring, with the understanding that the return on investment into the ecosystem was not just gained by the current cohort but future generations as well.

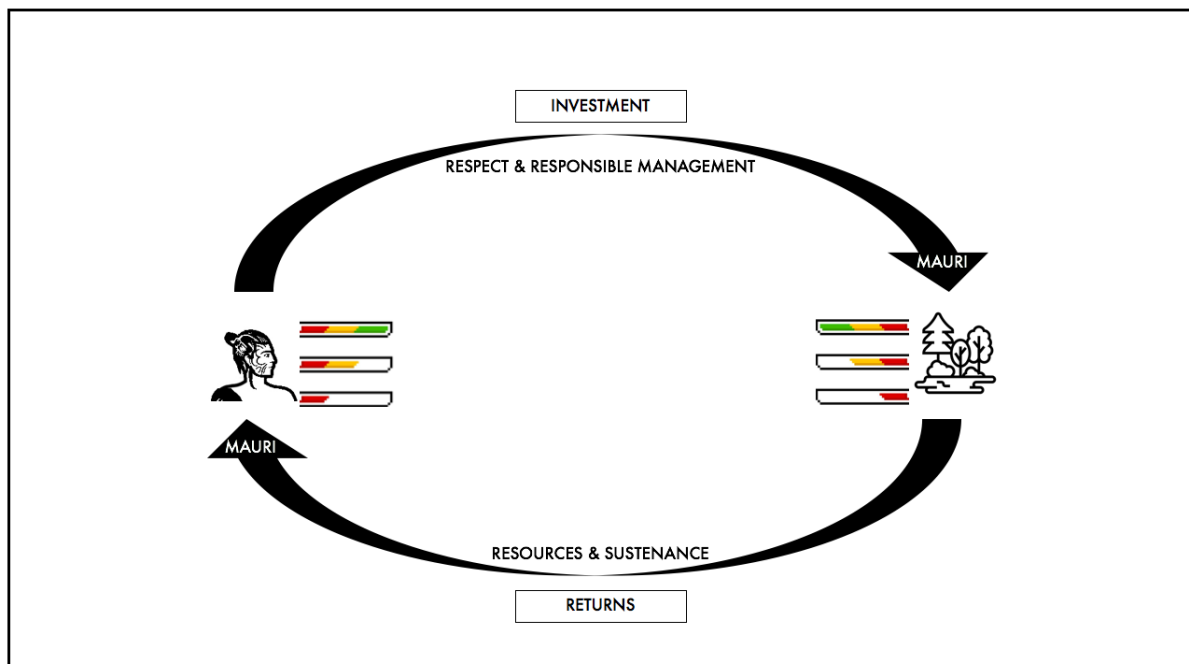


Figure 2. Tauutuutu cycle of mauri enhancing relationships

At its core, Tauutuutu is a framework for maximising mutually-beneficial outcomes amongst humans and between humans and nature by encouraging a cycle of investment and distribution that increases productivity while equitably dispersing returns and encouraging individual entrepreneurship. As a framework for shaping social, economic, and environmental exchanges, it provides a balance between growth, equity, and innovation, founded on long-term investments in human-to-human and human-to-nature relationships. The holistic way in which Tauutuutu frames exchanges, or relationships, is an all-encompassing lens that means there are limited externalities, where a broad range of transaction costs are considered.

TAUUTUUTU IN MĀORI SOCIETY - 1800-1860

Tauutuutu was the engine of economic growth and capital accumulation prior to and during early European contact. The continual obligation to uphold mana both within and between hapū drove productivity, innovation, and capital accumulation. Seeing the edge they provided, hapū rapidly sought-out and brought European technologies into their cultural frame, including new crop varieties, animals, growing techniques, implements, processing methods, and systems of transport. The close relationships and social cohesion built through Tauutuutu underpinned the new systems of production and processing, hybridising with existing systems originating from Polynesia. In addition, hapū expanded their existing systems of distribution to connect with settler and broader international markets. As a consequence, many hapū were successful in generating significant wealth, dominating most sectors in the country until the 1850s. Tauutuutu also drove the distribution of this wealth within and across hapū structures. In fact, this wealth and associated economic independence was seen as a threat to New Zealand's successful settlement by colonial governments.

TAUUTUUTU IN MĀORI SOCIETY 1860-1990

The Māori economic system and approach to land use management built upon Tauutuutu was rapidly pushed aside through the process of colonisation. However, from the late 19th century to the mid-20th century, remnants of these systems persisted in the kainga (traditional village areas) and surrounding Māori land, continuing to play an important role in local subsistence economies and provided a 'social welfare' net for communities. Central government schemes attempted to introduce, or impose, alternative methods of managing land and coordinating productive activity. The results were mixed and not lasting; however, subsequent changes to Māori land regulations combined with declining racial discrimination and the emergence of treaty settlement processes led to the development of new class of Māori enterprise where Māori could access capital and exercise greater decision-making autonomy and leadership, with many Māori agribusinesses showing rapid and comprehensive gains across economic, social, cultural, and environmental indicators. Achieving a level of 'critical mass' across economic, cultural, and political realms appears important in the reestablishment of Tauutuutu.

TAUUTUUTU IN THE CONTEMPORARY MĀORI PRIMARY SECTOR

In the contemporary era, Tauutuutu establishes an ethical framework for Māori enterprises operating in the primary sector. This framework is usually implicit in decision-making processes and not openly referred to or discussed. It guides the selection of technologies, production processes, land management approaches, modes of operation, and business models that support symbiotic and mauri enhancing social and human-environmental relationships – stretching decision-making to include systemic interconnections between systems. There are multiple examples from Post Settlement Governance Entities (PSGEs), and a variety of Māori Land Trusts, and Incorporations (MLTIs) that exhibit this type of decision-making in their operations and business strategies. Such entities are focusing on value rather than volume, pursuing lower intensity production and the establishment of integrated value chains to premium markets. Emphasis is placed on sustainability, circular economics, and ecological restoration, leading to food-producing systems that greatly exceed regulatory demands. Furthermore, strong collaboration for environmental planning with other landowners is exhibited, along with land use diversification, and integration between different systems. It is not claimed that these enterprises have fully achieved their economic, social, cultural, and environmental aspirations, however, the intension, vision, and innovation is present. The simultaneous successes across the economic, social, cultural, and environmental indicators shows the synergistic outputs the Tauutuutu framework delivers. Rather than creating zero-sum relationships between these different domains, where a benefit in one creates a cost in another, Tauutuutu generates mutually-beneficial, reciprocating outcomes. This is due to its holistic view of exchanges, and the resultant forms of decision-making and associated information and knowledge gathering it demands.

Tauutuutu encourages collaborative environmental management, driving the creation of networks of Māori farms focused on managing the lands and waters at a catchment or ecosystem level. There are multiple examples of this occurring nationally. One such example is Atihau Whanganui Incorporation, or Awhi, which manages several land blocks under an integrated ‘1 farm’ framework, with a particular focus on managing the waterways that flow through their lands. Tauutuutu also guides land use patterns away from monocropping towards more environmentally sustainable mosaics, with most successful Māori agribusinesses running a mixture of dairy, drystock, and forestry along with other enterprises such as tourism. Many are also seeking to incorporate alternate land uses such as regenerative agriculture, land use diversification, low intensity farming, retiring land, as well as reforestation projects. One such example is Wakatū Incorporation, which is increasingly focused on regenerative agriculture, utilising waste outputs

from one arm of their company as an input into another arm, including the use of mussel shells as a compost for their vineyards. Tauutuutu also encourages Māori agribusinesses to exceed regulatory requirements. For example, the Lake Taupo Forest Trust has planted riparian strips up to ten times the required size. Numerous Māori agribusinesses have strict animal welfare standards that go beyond legal thresholds, with Awhi using the Five Freedoms, an internationally-recognised standard. Many Maori agribusinesses have also formed a number of innovative business structures and value chains that build on the principles of Tauutuutu and deliver a range of mutually-beneficial outcomes. Miraka, for example, brings together a range of MLTIs along with a Vietnamese investor, providing chain integration, economies of scale, local employment, environmental incentives, and international market opportunities.

In addition to guiding the development of exemplar production practices, Tauutuutu ethics are also driving the development of alternative and novel governance and business models. There is a continual impetus amongst business owners and their governing representatives to focus on processes and models to support the redistribution of mana from corporate centres to marae-centred communities. The result is not only strong marae influence on corporate activities, but also, in an economic sense, the continual flow of capital from centralised bodies to the periphery, supporting business development opportunities within owner-communities. Consequently, we are now seeing, particularly with early settlement iwi, the development of a flat business network model based on centralised and peripheral nodes that work together to achieve mutually reinforcing economic goals. A general outline of this model is outlined in Figure 3 below. These models are fundamentally emerging based upon the ethic of Tauutuutu that demands balance and reciprocity. Given that New Zealand suffers from significant wealth inequality, these models represent a potential mode of development that may support greater equity in capital distribution. Furthermore, they represent a return, albeit in a contemporary form, to a tribal economy.

An example of this redistribution is emerging in Ngāi Tahu. Te Rūnanga o Ngāi Tahu (TRONT) has been working to re-balance centralisation in relation to decentralised economic development. Many Papatipu Rūnanga (representing hapū) within TRONT have established their own holdings companies to receive funding from the iwi, which is used both for investment and to support start-up initiatives with whanau involvement – often in the farming, marine tourism, and seafood sectors. Many of the entities have co-investments with Ngāi Tahu Holdings Corporation and leverage the expertise and knowledge (legal, commercial, and technical) held at the central scale.

This model of decentralisation has seen numerous local businesses grow with financial input and support from the iwi.

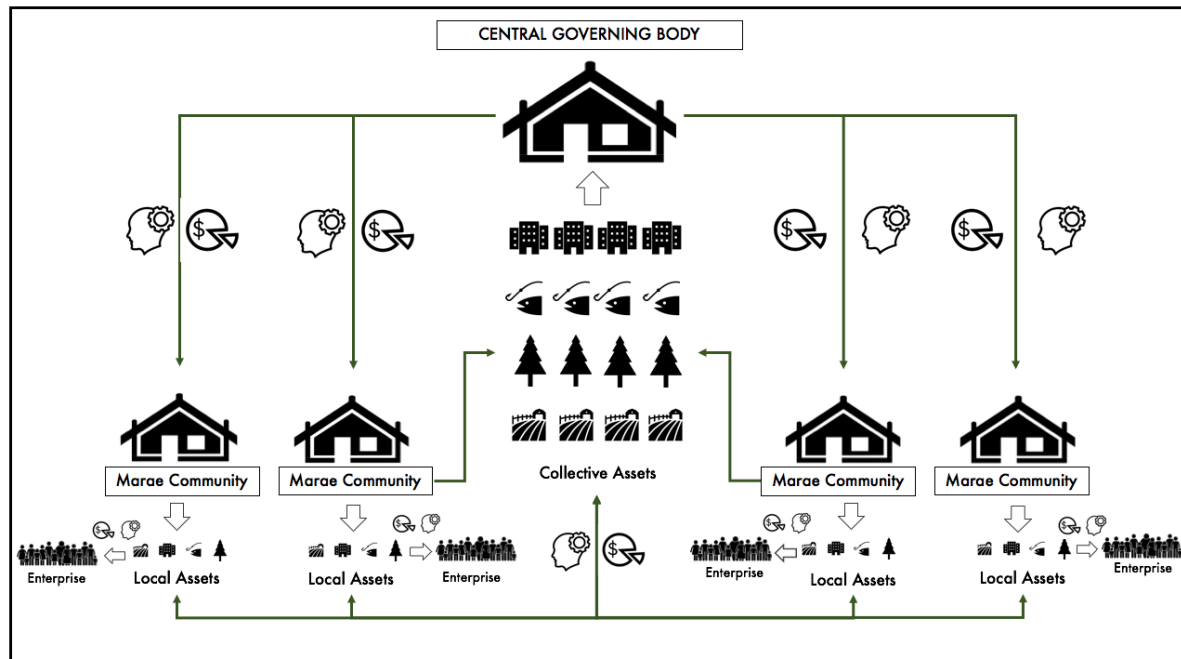


Figure 3. Decentralised redistribution model

CONSTRAINTS ON THE EXTENSION OF TAUUTUUTU

The broader extension of Tauutuutu ethics, principles, and modes of operating beyond Māori communities and to the country as a whole would likely see a significant and positive transformation in the way land is managed, the way our businesses operate, the way rural communities' benefit, and the way in which the economy performs. However, this would require an extension of a way of thinking and behaving from one cultural group to another. There are several potential constraints on this occurring. The first constraint concerns cultural worldview differences between Māori and Pakeha that constitute different philosophies of life which lead to clashes in what is considered valuable. Secondly, for many years colonisation was thought of a civilising mission under which knowledge, and technology would flow from Anglo settlers to Māori. It has rarely been considered, or thought possible, that learning, wisdom, and insight could flow the other way. Thirdly, landowners on our production lands are an aging group with a strong tendency toward conservative values that together tend to limit the adoption of new behaviours and ways of thinking. Fourthly, both the public and private sectors have heavily invested in built capital and infrastructure (e.g. irrigation schemes and processing plants) to support intensive and

specific forms of land use. Such investments require payback, which inhibits major shifts in land use and production activity. Finally, at an industry scale there is a typically low appetite for changes that entail risk.

Despite these constraints New Zealand land managers and food producers also exhibit a number of factors that would support the broad uptake of Tauutuutu nationally including: the capacity to rapidly change and adapt to market shocks; a relatively high level of innovation at a farm scale; a history forming cooperatives to meet collective goals; and a strong tendency to value fairness. It is contended that an extension process using andragogy, or adult learning processes, when combined with the above characteristics of land managers, could facilitate the extension of Tauutuutu ethics, worldview, and behaviours. Furthermore, it is believed that many of the misconceptions and hesitations around adopting Tauutuutu would be ameliorated and overcome through the successful application with those agribusinesses more willing to be early adopters. Much of the conservatism within the wider agricultural sector is practical rather than ideological, and as the system was rolled out and the gains from adoption proven, much of the resistance would fade.

THE OPPORTUNITIES FROM EXTENDING TAUUTUUTU

In addition to the constraints on adopting Tauutuutu there are also business, national, and international opportunities. A number of significant benefits for businesses implementing a Tauutuutu framework were determined including: market access; employee wellbeing and retention; innovation and strategic direction; and reputation and sustainability credentials. It was also found that utilising a Tauutuutu framework at a national scale could inform the development of social procurement policies, and assist in New Zealand meeting its international agreements and obligations associated with responsibility, fairness, and development. Through a scan of international literature on reciprocity it was determined that similar social practices to Tauutuutu play a crucial role in building businesses and value chains. This includes: the building of trust; increasing commitment; improving market access; raising employee wellbeing and retention; increasing the fair distribution of economic activity benefits within and across value-chains; and enhancing reputation and sustainability credentials with markets and regulators. Generally speaking, Tauutuutu aligns with current trends commercially, nationally and globally, where triple and quadruple bottom line reporting is becoming more common and market access, regulatory

requirements, and global frameworks are increasingly focused on social wellbeing and environmental sustainability alongside traditional economic metrics.

CONCLUSION

In conclusion, the Tauutuutu framework has the potential to create a land-based economy in which the nascent collaborative approach of New Zealand land managers, and their intrinsic relationships with their land and the communities in which they live, is harnessed, and directed. There are multiple benefits that might accrue from this approach including: integrated catchment management; the development of premium value chains; increased market access; and an economy that promotes growth, equity, and innovation, through its founding on long-term investments in the social and environmental domains and holistic decision-making that factors in a broad range of information and knowledge. However, perhaps most importantly, the extension of Tauutuutu represents an opportunity for Māori to lead the transition to a sustainable land-based economy nationally, through extending their enterprise and innovation from their communities to the country as a whole while revitalising Māori culture and traditional knowledge. New Zealand primary sectors have long been looking to transition from a volume mentality to a value-add strategy, a Tauutuutu land-based economy would not only push this transition but would also add more value than just using the ‘clean and green’ New Zealand brand, as Māori culture has a high global cachet. Finally, at a higher level, the implementation of Tauutuutu as a land management practice could have a range of cascading positive benefits, from respecting the Treaty through to aiding biodiversity protection, from revitalising ailing rural communities to helping restore water quality.

FUTURE RESEARCH

This white paper sets a stage for future research. It has highlighted the phenomenon of Tauutuutu and how it establishes the grounds for a different approach to land management, supply chain management, market development, business development, and processes for capital redistribution. It is proposed that future research could first measure the national impact of the broad adoption of Tauutuutu across New Zealand’s agrifood sectors, and second optimise pathways for extension. More specifically the research would involve two interdependent research aims.

Research Aim One - Comprehensive Modelling – The first step in the modelling would be accessing data from high-performing Māori agrifood operations utilising a Tauutuutu approach. This data would then be extrapolated to determine the impacts of broad adoption of these structures across New Zealand’s agrifood industries and sectors. In particular, the modelling would determine the impact on export earnings, economic multipliers, and environmental considerations (such as water). The modelling would answer the key research question: What would the impacts of the broad adoption of Tauutuutu principles across New Zealand’s agrifood sectors be?

Research Aim Two – Quantitative Survey - A comprehensive quantitative survey of Māori and non-Māori agrifood sector leadership would be developed. It would determine levels of openness to embedding Tauutuutu, and related core Māori concepts and values, into operations across value-chains. The survey would provide the following:

- A scale that would determine the levels of comfort and familiarity with the concept of Tauutuutu across agribusiness leadership, sectors, and other demographics.
- Measurable cultural differences and areas of confluence between Māori and non-Māori agrifood businesses.
- The key political, cultural, policy, regulatory, and operational barriers and avenues to the extension to Tauutuutu approaches.

The survey would answer the key research question: What are the levels of openness and optimal approaches to support the broad adoption of Tauutuutu principles across New Zealand’s agrifood sectors?