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Responsible Pacific player seeks global power for friendship and (ideally) FTA

By Stephen Jacobi¹

As globalisation makes for new bedfellows, old friends like the US remain just as important, writes Stephen Jacobi.

International affairs have a lot in common with reality TV. Unlikely partners come together in exotic destinations to show their wares and hopefully consummate a new relationship.

In global matchmaking, there are a lot of potential suitors, even for a small player like New Zealand. And sometimes we get lucky.

In these pages last week Terence O'Brien rightly praised the attention the Chinese Government is prepared to pay this part of the world. I for one still find it extraordinary that New Zealand might achieve free trade with China earlier than with the United States.

New Zealand began to sharpen its focus on Asia in the early 1990s. "Asia first, but not first and last" was the doctrine. Since then government, business and organisations like the Asia NZ Foundation have worked hard to nurture links with Asia. The Government has shown remarkable dexterity in managing complex relationships in a way that preserves New Zealand's values, but recognises the political sensitivities of our partners.

Yet, for all this, New Zealand will always be part of an outer circle in Asia, both geographically and politically.

New Zealand's core political alignment has always been with a group of market democracies with whom we are bound together by shared, fundamental values - democracy, human rights, the rule of law and the market economy.

While we are firmly located in the South Pacific – and play there a respected "good neighbour" role – our political "neighbourhood" is globally dispersed. It is to Australia, the US, Canada, the UK and some countries of the European Union to whom we turn for traction on pressing global issues like human rights, poverty alleviation or sustainable development.

Values are important, but they do not of themselves lead to unanimity of view or guarantee any economic advantage. And they clearly don't lead to a free trade agreement, as we have seen with the United States, our most significant relationship after Australia.

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A recent editorial suggested that a generation of New Zealanders had been brought up with the knowledge that the US and New Zealand are not “very, very, very good friends”, despite what Colin Powell might have said. It is true that New Zealand and the US are no longer military allies, although we are closely aligned on many fronts. New Zealanders seem to be happy with that, as is the clear majority of our politicians.

But that has not prevented us, despite our differences of view, from developing, often behind the scenes, a close and profitable relationship with the US. Even where our difference in world view appears most acute, such as climate change, New Zealand and the US are collaborating actively and positively, for example through over 30 projects under the US/NZ Bilateral Climate Change Partnership. In the last few weeks new co-operation agreements have been signed with the US on passport security and on Antarctic research. Then there’s the Fulbright Foundation which since 1949 has funded the studies of 1309 New Zealanders in the US and 2382 Americans in New Zealand.

The recent visit of Assistant Secretary of State Chris Hill highlighted US appreciation for New Zealand’s continuing contribution to peacekeeping and security in Afghanistan and closer to home in the Pacific. In an uncertain world, stable democratic allies are becoming more important to the US.

It is to help maintain the momentum in the relationship, even in the absence of an FTA, that the NZ US Council, together with our US counterpart, has organised the first ever US NZ Partnership Forum taking place in Washington DC later this month.

Led by Jim Bolger and Mike Moore, our delegation includes some of New Zealand’s leading export groups including Air New Zealand, ANZCO, Fonterra, NZ Post, PPCS, Meat and Wool New Zealand, Solid Energy and Trends Publishing. Ministers, National MPs, the heads of five government agencies along with business organisations, educational foundations and academics complete the team.

We will be met by a similar American group, including senior Bush Administration officials and representatives of US corporates with interests in New Zealand like Boeing, Caterpillar, EDS and Weyerhaeuser.

From a New Zealand perspective the key challenge is to demonstrate our enduring relevance to a global superpower – a relevance which goes beyond the small size of our domestic market and takes in those opportunities for both countries in the broader global and regional context. The starting point for the Washington Forum will be those shared values which, despite differences in expression, bind us to the US and to a relatively small number of other countries.

There’s no denying the value of New Zealand seeking to diversify its international relationships. As a global trader, and a nation keenly interested in global issues, it is in our national interest to seek positive relations wherever we can find them.

It’s just that in international relations, as often in love, the partners you’ve known longest often turn out to be the best of all.