REGIONAL SECURITY

- China trade
- Indian elections
### Corporate Members
- ANZCO Foods Limited
- Asia New Zealand Foundation
- Australian High Commission
- Beef + Lamb New Zealand Ltd
- Business New Zealand
- Catalyst IT Ltd
- Centre for Defence & Security Studies, Massey University
- Department of Conservation
- Department of the Prime Minister and Cabinet
- European Union Centres Network
- Fonterra Co-operative Group
- Gallagher Group Ltd
- HQ New Zealand Defence Force
- Ministry of Business Innovation and Employment
- Ministry for Primary Industries
- Ministry for the Environment
- Ministry of Defence
- Ministry of Education
- Ministry of Foreign Affairs & Trade
- Ministry of Justice
- Ministry of Social Development
- Ministry of Transport
- New Zealand Customs Service
- New Zealand Police
- New Zealand Trade Enterprise
- New Zealand United States Council
- Reserve Bank of New Zealand
- Saunders Unsworth
- Science New Zealand Inc
- Statistics New Zealand
- The Treasury
- Victoria University of Wellington
- Wellington City Council
- Wellington Employers Chamber of Commerce

### Institutional Members
- Apostolic Nunciature
- British High Commission
- Canadian High Commission
- Centre for Strategic Studies
- Cook Islands High Commission
- Council for International Development
- Delegation of the European Union in NZ
- Development Office & Foundation, VUW
- Embassy of Cuba
- Embassy of France
- Embassy of Israel
- Embassy of Italy
- Embassy of Japan
- Embassy of Mexico
- Embassy of Spain
- Embassy of Switzerland
- Embassy of the Argentine Republic
- Embassy of the Federal Republic of Germany
- Embassy of the Federative Republic of Brazil
- Embassy of the Islamic Republic of Iran
- Embassy of the People’s Republic of China
- Embassy of the Philippines
- Embassy of the Republic of Chile
- Embassy of the Republic of Indonesia
- Embassy of the Republic of Korea
- Embassy of the Republic of Poland
- Embassy of the Republic of Turkey
- Embassy of the Russian Federation
- Embassy of the United States of America
- High Commission for Malaysia
- High Commission for Pakistan
- High Commission of India
- Independent Police Conduct Authority
- New Zealand Red Cross Inc
- NZ China Friendship Society
- NZ Horticulture Export Authority
- Pacific Cooperation Foundation
- Pacific Research & Policy Centre, Massey University
- Papua New Guinea High Commission
- Political Studies Department, University of Auckland
- Royal Netherlands Embassy
- School of Linguistics & Applied Language Studies, VUW
- Singapore High Commission
- Soka Gakkai International of NZ
- South African High Commission
- Taipei Economic & Cultural Office
- The Innovative Travel Co. Ltd
- United Nations Association of NZ
- Volunteer Service Abroad (Inc)
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Asia’s maritime order and New Zealand’s response

Robert Ayson comments on the South China Sea, Asia’s regional security and New Zealand foreign policy.

On the eve of this year’s Shangri-La Dialogue in Singapore, I argued in a newspaper opinion piece that New Zealand needed to express some concern about worrying developments that have been occurring in the South China Sea. The immediate backdrop for my argument was the tense standoff between China and Vietnam. Vessels were being rammed, water-cannons were being used, and some destructive demonstrations had ensued in Vietnam. These events were associated with the movement of a Chinese drilling rig into a disputed area not far from the venue of a minor conflict between the two countries over 25 years ago. Maritime territorial tensions have also been apparent for many years between China and the Philippines, another South China Sea claimant, but unlike Vietnam a formal ally of the United States. The China–Philippines standoff in 2012 over the Scarborough Shoal, and China’s subsequent restriction on access to this feature, strikes many regional observers as a reflection of a considerably more active approach by Beijing in recent years. China seems ready to do more to enforce the claims that it has for some time held towards the vast majority of the South China Sea. The reasons for this more active approach by China are a matter of some debate. Of course Beijing has also been asserting its claim to what it calls the Diaoyu Islands in the East China Sea. Japan calls the same features the Senkaku Islands, and steadfastly denies that a dispute actually exists. In this particular case, there are some very specific China–Japan animosities and rival nationalisms at work. But even here, given that China and Japan were able to enjoy more amicable relations during parts of the Cold War period, we have to wonder why things have been recently coming to a head. Perhaps even more intriguing is quite why things have become so tense in the South China Sea, where China is competing in its claims with a series of smaller South-east Asian powers, and not with its main rival for North Asian leadership. China has tended to argue in each case that it has been provoked into action, and that it, therefore, did not initiate these difficulties. But there is at least some reason to think that Beijing’s policy is linked to the consolidation of power by Xi Jinping, and is part of a more confident assertion of China’s growing power.

The discussion of the rights and wrongs of this situation, let alone the attribution of responsibility or blame, is potentially never-ending. Those who suggest that the South China Sea disputes can be resolved have a very challenging case to make. But what is clear is that some of the actions that are occurring in the South China Sea disputes, and particularly those between China and Vietnam, and between China and the Philippines, are challenging some of the principles of international conduct that are in New Zealand’s interest to help promote and protect. These principles include the peaceful settlement of disputes, the importance of international law as a common reference point for approaching territorial disputes and the freedom of navigation.

Care needed
My purpose in arguing that New Zealand needed to say something about what was going on in the South China Sea was not to suggest that New Zealand should take sides or align itself with a particular group of countries. Great care is needed in what one says about the South China Sea developments. On the East China Sea tensions involving China and Japan, even greater care is needed. The newly elected Abbott government was rather too

As the powers jostle in a more competitive Asia-Pacific region, it may seem counter-intuitive to call for a clearer New Zealand position on the South China Sea disputes. But even as regional tensions grow, Wellington can stick up for its principles without joining a chorus of China criticism. Under the Key government, New Zealand’s alignment with the United States is becoming more pronounced through a series of small but cumulatively important steps. This makes it even more important for New Zealand’s policy to be staked out clearly, including in written form accessible to the public discussion.
New Zealand’s position:
- ‘We do not take a position on the particular claims in the South China Sea.’
- ‘We continue to urge all parties to exercise restraint and avoid actions that could inflame the situation.’
- ‘We encourage parties to resolve issues peacefully in accordance with international law including the United Nations Convention on the Law of the Sea.’
- ‘New Zealand encourages the development and early conclusion of the ASEAN–China code of conduct for the South China Sea.’

You will not easily find these comments because they were delivered verbally, although I understand that it is possible that the Select Committee Office will produce a transcript. No major press release was issued, and the statement could not be found on the Beehive website or on the Ministry of Foreign Affairs and Trade website. That is a shame because these carefully assembled words allow New Zealand’s concerns to be expressed without buying ourselves into a particular side of a divisive issue. The language seems closer to the types of comments some of our ASEAN partners would use (if they chose to air their views) and is closer to the style of a wise comment from the European Union on East China Sea issues last year.

Great importance
The minister said that events in the South China Sea were of ‘great importance to New Zealand’ as they have ‘the potential to under-
Stark confirmation

I make this last point deliberately because this year’s Shangri-La Dialogue confirmed in stark terms the increasing divisions in the wider region that so often reflect competing attitudes towards China. As some attendees noticed, some of the language traded there would not have been out of place in a Cold War setting. I admit this with some reluctance because I have always felt that a new Cold War in Asia, primarily featuring the United States and China, was unlikely for a number of reasons. First, there are the economic ties that connect Asia in ways quite at odds with the competing and closed off customs unions of the Cold War days. Second, there is the way that America’s contribution to regional security has helped generate the relatively peaceful external environment that has allowed China to pursue its economic development agenda. Third, there is the sheer inactivity and unwillingness of China to pursue a global struggle along the lines of the old Soviet challenge to the United States. Fourth, there is the fact that so many of America’s allies and friends also have strong interests in maintaining good relations with Beijing. And fifth, the relative absence of revolutionary struggles for national independence and unity, seen in much of South-east Asia in the 1950s and 1960s, also reduces the fuel load for a Cold War to be built on.

The Cold War analogy may be still wanting in many aspects. But even if we continue to reject it, growth in major power tensions and their reverberations for the wider region that New Zealand inhabits are becoming increasingly worrying. The new era in great power relations between China and the United States was hardly on show at the Shangri-La Hotel in Singapore when Secretary of State Hagel accused China of destabilising actions in the region. Nor were they evident when China’s Lieutenant-General Wang Guanzhong accused the United States and Japan of co-ordinating their criticism of China. That last point is especially noteworthy because, as I argued in a recent piece for the East Asia Forum blog based at the Australian National University, it was the Japanese factor which really seemed to get under the skins of China’s delegates. The dialogue, arranged by the International Institute for Strategic Studies, normally begins with a keynote address from an Asian leader, followed by the main event the next morning in the form of the US secretary of state. But this year’s keynote speaker, Prime Minister Shinzo Abe of Japan, effectively stole the show with an especially confident assertion of his country’s place as a legitimate provider of regional security, not just a consumer; not as a passive recipient of American reassurance, but as an increasingly active member of the region in defence terms, which, by the way, nobody should worry about.

Strong ground

In choosing the rule of law as his motto, Prime Minister Abe was on strong ground. It is hard for anyone to take issue with that. But in extending its application to the South China Sea, and in the offer of Japan’s assistance to the Philippines and Vietnam in their struggles to stave off Chinese pressure, there is an increased risk of the intense Sino-Japanese animosity having its presence felt beyond North Asia. China has by its own actions in the South China Sea been laying the groundwork for this to occur, and in their situation of desperation, one can hardly blame Hanoi and Manila for looking favourably on any support, including from Tokyo. I also think Japan may be seeing an opportunity for being more active in the wider region courtesy of the restraint that the United States is showing. Beijing may argue that the US rebalance to Asia has provided carte blanche for some of its partners and allies in the region to push their luck on territorial disputes. This is a convenient part of a narrative that argues that China is simply responding to this provocation. But as we have seen around the world in the last few years, the Obama administration does not write blank cheques. It is worried about being too exposed, even by Japan, and certainly by the Philippines, to a confrontation it does not want with China.

It has been a tried and true strategy amongst some of New Zealand’s South-east Asian partners, principally Singapore and Indonesia, to engage the major powers simultaneously so as to encourage a balance between them in the region. The outgoing government in Jakarta, for example, continues to refer to a dynamic equilibrium. Singapore’s leaders are masters at encouraging all the great powers in, including for commercial reasons, without giving any one of them the impression that they are loved as well as needed. My fear, which was confirmed at this year’s Shangri-La Dialogue, is that the heat near South-east Asia’s kitchen is getting too great. What results is not a great power equilibrium and stability (and India’s role in this, by the way, is noticeable more for its absence than its existence, at least in East Asia). What results is that South-east Asia becomes a venue for a bruising and bitter contest, draining the life from ASEAN on security issues at least. And not surprisingly perhaps, the South China Sea disputes are easily sucked into that wider vortex. A country’s attitude to what is going on in the South China Sea can too easily become its vote in the informal referendum on China’s rise.

Needed statement

These complications do not, and did not, absolve New Zealand of the need to make a statement of concern about events in the South China Sea. As the Book of Common Prayer says, it was meet and right so to do. But it is important to do so in a way
General agreement
According to a White House fact sheet of 20 June, there was a US–New Zealand meeting of minds on maritime territorial disputes in Asia during John Key’s visit with President Obama in June. That document states that the two leaders were in unison on the following: ‘Regarding regional maritime disputes, the United States and New Zealand are united in supporting the peaceful resolution of disputes, the respect for international law and unimpeded lawful commerce, and the preservation of the freedom of navigation and overflight.’

So far, reasonably good, although we should note that the freedom of navigation and overflight are open to interpretation in a fairly unfettered manner. These opening words also refer to regional disputes more generally. Yet the words then become more specific: ‘In the South China Sea, the President and the Prime Minister called on ASEAN and China to reach early agreement on a meaningful and effective Code of Conduct.’ This seems very much in keeping with McCully’s parliamentary comments. But then comes what Americans might call the kicker: ‘In discussing the need for diplomacy and dialogue to resolve disputes, the two leaders rejected the use of intimidation, coercion, and aggression to advance any maritime claims.’ And then we go back to something again that is not too far from the McCully line: ‘The two leaders reinforced the call for claimants to clarify and pursue claims in accordance with international law, including the Law of the Sea Convention.’

It is the third of these portions that deserves specific attention. Readers might well accuse me of parsing this statement too much, and paying too much attention to one sentence in a document that comprises an American recounting of a bilateral conversation. In any case, surely a peace-loving country like New Zealand ought to oppose ‘intimidation, coercion, and aggression to advance any maritime claims’. But while it may appear on the surface to be a statement of the obvious, this phrase easily takes on deeper meaning. It can be interpreted as evidence that New Zealand has joined the ranks of the United States and Australia in adopting a form of words that Japan uses to criticise China for its actions in the East China Sea. It is language that is also used for similar purposes with respect to the South China Sea. Under this interpretation it risks becoming an occasion where Key is seen to join with the American president in identifying China as the problem. In that case New Zealand also becomes attached to the United States–Japan–Australia position. These may not be words of a formal alliance, but they appear to be words of strong alignment.

Indirect nuggets
Of course, New Zealand’s foreign policy stance in Asia depends on much more than this. But I would offer two arguments for why this is indeed as important as I am suggesting. The first is that in a period when public statements of New Zealand’s foreign policy settings are so rare, including the virtual non-existence of foreign ministerial speeches, very small and sometimes even indirect nuggets are often all we have to feed on. To be sure Key did himself use the McCully formula on the South China Sea in his major foreign policy speech to the NZIIA in Wellington on 2 July. But this was in response to a question from the author rather than something that was covered in the main text. Moreover, to continue a disappointing tradition, there was at the time of writing no transcript of the speech available. Historians will have a hard time deducing New Zealand’s declaratory position if all they have to work from is a page of bullet points, assuming that these are one day made available.

The second and more important point is that the shift in New Zealand’s position will not come in the form of one big decision some time in the future. Instead New Zealand is already crafting an overall statement of alignment out of a series of smaller but cumulatively vital moves. It is what some scholars call the tyranny of small decisions.”
Old question
What has come to be called New Zealand’s independent foreign policy, which the government has been marketing proudly in its UN Security Council bid, is not being eviscerated in one fell swoop. Indeed with respect to each one of these small steps the government can argue that the independent policy remains intact. But that reputation for independence is increasingly reliant on that relic from an earlier age, New Zealand’s nuclear free policy. As an approach it is starting to resemble the Norwegian Blue of Monty Python fame that only remained upright because it was nailed to its perch.

So those waiting for that all or nothing crisis when New Zealand makes its one and only big call are going to be disappointed. Instead, a series of small decisions are in combination delivering the verdict already, if we care to look. New Zealand is strongly aligning itself with its traditional security partners.

I have written about some of these smaller steps elsewhere. Quite a number of them are part of the extraordinarily swift improvement in New Zealand’s security relationship with the United States. They include parts of the Washington Declaration, which prefigure closer US–New Zealand maritime operational co-operation in the wider Asia–Pacific region. They include New Zealand’s participation last year in an amphibious exercise off the Californian coast in which Japan’s involvement was prominent, which drew China’s protest in the context of the East China Sea dispute. They may include the portion of the latest Defence Capability Plan that emphasises the value that our ‘key security partners’ attach to New Zealand’s combat capabilities and the need to be able to work in high intensity situations.

Some of these individual steps are by themselves not especially dramatic. But when we put them together the main picture becomes unmistakable. Many have missed it because it has been happening quietly in a step-by-step manner and not in a single loud bang.

Now it is certainly not implausible to make a case that we are ending up where New Zealand should be. The improvement in US–New Zealand relations began not with the Key government, but with the Clark government before it. An Asia–Pacific region without a significant US role, including a sizeable military presence, would not, in my view, be in New Zealand’s interests. Similarly the close alliance relations between Australia and the United States, and between Japan and the United States further north, are part of the infrastructure of security that has been working for at least some of our interests for many years. One might, therefore, be tempted to argue that a closely aligned New Zealand is exactly the recipe we need given the challenges in the wider security environment, which our Defence Capability Plan says are becoming more complex.

Western order
So it might be argued that New Zealand’s most recent comments on Asian maritime disputes, courtesy of the Key–Obama meeting, are helping to take New Zealand to a place where it needs to be. It might be argued that the principles that are under challenge right now in Asia are ones that stem largely from Western experience. A similar sentiment to this can be found in the 2010 Defence white paper. If these principles are part of a Western international order that has worked for New Zealand, is it not only logical for New Zealand to align itself as closely as it can with partners who hold those values especially closely? And contrary to those who would suggest that this would build a wall between the West and Asia, one could suggest that many of our Asian partners want those values to be strong too. So should not we be comfortable with where we are heading?

But if we are comfortable where we are heading, our government should have the foresight and the frankness to explain in more detailed terms that this is where it is taking New Zealand’s foreign policy. Yet in his foreign policy speech on 2 July Prime Minister Key did not suggest that a realignment of New Zealand’s position was happening. And I think there is one very important reason why. The most fundamental thing that is happening in Asia is that the distribution of power is changing. And that is something to be reckoned with. It complicates all the simple straightforward ideas about making a stand and being willing to call China to account. Instead, the prime minister chose the reassuring but fragile formula that New Zealand has different relations with the United States and China. But not least in light of a possible United Nations Security Council seat, if realignment is exactly what we are now doing with some of the small steps we are taking, then New Zealand has some important thinking to do.

NOTES
3. For my comparison of these positions, see ‘Marching to a different drum: New Zealand and China’s Air Identification Zone’, The Strategist, 29 Nov 2013 (www.aspiestrategist.org.au/marching-to-a-different-drum-new-zealand-and-chinas-air-defence-identification-zone/).
8. On the various meanings that are posed by this notion of independence in New Zealand’s foreign policy, see Malcolm McKinnon, Independence and Foreign Policy. New Zealand and the World Since 1935 (Auckland, 1993).
Trading with China: a success story

Tim Groser reflects on the evolution of New Zealand’s trade relationship with China.

We have just passed — one year ahead of schedule — a milestone that frankly I thought was quite a stretch when Prime Minister Key and Premier Wen decided on it in Beijing in 2010: to double our two-way trade by 2015. Well, copy that: we put a positive tick beside that goal at the end of June. Apparently, our leaders will not allow us to take a breather — the prime minister and the new president of China, President Xi, have now decided to lift the bar again. The goal now is to lift two-way trade to $30 billion by 2020.

By the way, our extraordinary success with China, which has both a political and a commercial side to it, is being noticed and admired — maybe even envied — around the world. In Mexico City in June, and on my way to representing New Zealand at the heads of state meeting of this new trade grouping called the Pacific Alliance, I was holding a seminar on global trends in trade with my host, Mexican Minister of the Economy, and a former professor of economics, Dr Ildefonso Guajardo. This subject came up from the floor in the questions and answers. When I gave the questioner the basic data on our exports, the Mexican minister said New Zealand’s exports were greater than Mexico’s total exports to China. Mexico is the fourteenth largest economy in the world and has 118 million people.

Take a bow, New Zealand Inc. It has taken a lot of people and a lot of hard work over a number of years over successive governments to get us to this excellent position. We are now seeing the benefits in terms of increased export income (and thus lowering foreign borrowing than would have been the case), more jobs and higher economic growth. If we stick to what we know works in terms of foreign policy, trade policy and the domestic economic policies that underwrite this huge success, the future is even brighter.

This very success is, however, giving rise to a number of people asking a question — namely, are we in danger of creating too much trade dependency on China?

Fair question

Personally, I think it would be harsh to brush this aside by saying some people can only ever look at a glass as half-empty. It is a fair question that deserves a fair answer. It is especially so in the light of the defining event of our trading economy in the last 50 years: the body-blow we suffered when the United Kingdom, which then absorbed 50 per cent of our total exports, entered the then European Economic Community, triggering a whole series of difficult adjustments by New Zealand. As a country, we know the hard way about trade dependency and the risks it involves.

However, as I go through my analysis of the issue, just bear in mind one central fact. The world is utterly different today than it was in the 1970s. The front and centre of the problem faced 40 years ago by New Zealand trade negotiators like me, and particularly the people I learned my craft from, was we had too much product for export and too few market opportunities open to us. The world just shut us out.

Today’s trade policy ‘problem’ — if indeed ‘problem’ is the right word for it — is the opposite: we have more opportunities than we could ever exploit. In terms of our agri-business exports, we can only feed around 40–50 million people. The new trade agenda in front of us — and the Trans-Pacific Partnership is the biggest game in town here — is about risk diversification and giving our companies more choice still.

Expanding choices

It is not just, to use American basketball parlance, ‘defence’ (that is, risk diversification) but ‘offence’ as well — we want to strengthen the hand of our export sales managers when they look at alternative markets for the world-class suite of goods and services their company and New Zealand has to offer. If you do not have choice, you do not have a negotiating position — you have a set of requests. I remember one veteran Australian trade negotiator telling me as a young New Zealand negotiator in Canberra that ‘New Zealand negotiates through a veil of tears’. It was meant to intimidate me, so I just said ‘You’re right. But aren’t we good at it’.

Well, we are also good — very good — at the new game where, thanks to our successes married to economic development in the emerging economies, we are in an entirely different and utterly more favourable position. In addition to the two ‘jewels in the New Zealand trade policy crown’ of CER and the China free trade agreement, we have a free trade agreement with Hong Kong, a comparable agreement with Taiwan (another world first), a comprehensive free trade agreement with the whole of ASEAN (AANZFTA) that was finally ratified by Indonesia, the largest

The New Zealand–China trade relationship is going from strength to strength. The ambitious goal set in 2010 of doubling our two-way trade by 2015 has already been achieved — one year ahead of schedule. But the bar has now been further lifted. A new equally ambitious goal is to lift two-way trade to $30 billion by 2020. This remarkable growth is the result of the hard work of a lot of people over many years and by successive governments. While some see the growing dependence on China as problematical, it is a situation faced by a majority of other countries. The benefits of our linkage outweigh the potential disadvantages.
ASEAN economy, in 2011, a free trade agreement with Chile, P4 (or Pacific Four — the foundation stone of the TPP) and several individual free trade agreements with South-east Asian countries. And we are still benefiting enormously from the Uruguay Round set of agreements that twenty years ago brought some discipline to export subsidies and stabilised a number of market access issues important to New Zealand.

I am not describing our negotiating agenda here — the TPP, the Pacific Alliance, other current negotiations. The trade agreements I have just referenced are all done and impacting positively on our country. But we are the Oliver Twist of trade policy. We are hungry for more. When we say ‘We are ambitious for New Zealand’ it is more than a good political bumper sticker. We mean it.

‘Dependency’ issue

There are two associated ‘dependency’ issues that should be considered before we get to the main course, but I do not think we need to spend a lot of time on them. The first is what is called ‘indirect dependency’ on China. That is, that adverse developments in China would impact on Australia and our other major trading partners and thus indirectly on New Zealand. The second, though hardly front of mind, relates to ‘dependency’ on imports, given that China is our largest source of imports and these will be an important part of the supply chain for thousands of our businesses.

Indirect dependency is an issue, particularly when you take into account what I call ‘the triangulation’ of the New Zealand–Australia–China economic relationship. It arises because of the intersection of two facts:

- Australia is actually a larger market for New Zealand exports today than China when you take into account our services to Australia and add that to our merchandise exports. So anything that affects the Australian economy adversely will, by definition, affect New Zealand. Putting all hackneyed trans-Tasman jokes aside, purely for economic reasons a strong Australia is fundamentally in New Zealand’s interests.

- Australia is far more exposed than New Zealand to a downturn in China, given the vast size of its mineral exports to China. The long-signalled shift in emphasis by the Chinese authorities from investment-led to consumption-led growth (this long predates the fascinating reform directions of the Third Plenum) is already affecting ‘hard’ commodities and this is Australia’s export strength.

So there definitely is a danger of ‘indirect dependency’ here, especially through the triangulation of the New Zealand–Australia–China economic relationship. But consider the following.

Practical limits

There are rather large practical limits to what we can do about this. Even further diversification of our export effort (which is central to this government’s trade policy) does not avoid the problem. An astonishing 124 countries now count China as their number-one trading partner. If China slows down or worse, all our export markets slow down. Period. We would be adversely affected even if we did not sell a single dollar of goods and services directly to China.

At market exchange rates, China is expected to pass the United States in terms of economic weight around 2020. We used to say ‘When the United States catches a cold, the world starts to sneeze’. Correct. Just add the words ‘or China’ to that phrase and we are where New Zealand always was: a small economy whose economic fortunes will always be affected by global downturns in the major economies of the world. On this question of ‘indirect dependency’, I am tempted to say ‘yes, but tell me something I don’t know’.

What is important for New Zealand is to maintain a flexible set of economic, market oriented policy instruments to adjust to external shocks, wherever those external shocks come from. And those signals need to impact immediately on economic actors’ decisions — not five years too late when officials and politicians have finally woken up to the fact that the comfortable world around them has changed and this demands policy readjustment. That includes sticking with a flexible exchange

Trade minister Phil Goff and his Chinese counterpart sign the New Zealand–China free trade agreement in 2008
rate, avoiding returning to misplaced subsidies in the hope that they provide ‘certainty’, having competitive energy pricing, good infrastructure and so on. Having a ‘competitive economy’ is a good shorthand way of putting it.

Command economy
One of the reasons, though by no means the sole reason, why the disappearance of the United Kingdom — a far more dominant market for New Zealand then than China today — hit us so hard was because we had economic policies in place that came straight out of the manual for a ‘Command Economy’. Those hopeless domestic policies vastly complicated the adjustment we had to undertake. Of course, I recognise that there is a whole bunch of people out there who do not get this and are offering New Zealanders a fast policy ride back to the future. Well, to those folk, I would encourage them to reflect a little more deeply, if they are politically capable of it.

I can deal quickly with the second issue — are we becoming too dependent on imports from China? First, recall that ultimately there is only one point in exporting to any country — to provide the foreign exchange to import or, if you have more than you need to pay for your current imports, to invest the foreign exchange earned.

And here, as our number one source of imports, China continues to perform a huge positive role in providing New Zealand households and businesses with an increasingly sophisticated range of highly competitive goods and services that they buy from China. Presumably, New Zealanders and companies buy from China only because they believe China offers the best value for their money.

But if, at the margin, China became uncompetitive for whatever set of reasons, there is no real risk here to New Zealand. There is a global market out there we can turn to. It would just cost us a little more at the margin. This issue is not about any ‘dependency’ on China as a source of imports.

Export growth
Three things have powered the extraordinary growth of New Zealand exports to China: economic development of China, liberalisation of China’s economy through their joining the WTO and the bilateral New Zealand–China free trade agreement, and the enormous efforts New Zealand Inc has put in to leverage off the opening of the China market in recent years.

Sustained economic growth in China and the rise of disposable income is the most important by far. I will not quote any numbers. The only observation I would make is this: it took decades of growth of income in China before it made an economically significant difference to this small trading partner of China’s that is New Zealand.

This is worth keeping in the back of our minds, since I am optimistic we are going to see a whole variety of ‘mini-China’ stories for New Zealand as the extraordinary growth story in the emerging economies plays out, starting with economies like Indonesia, Brazil, Mexico, Turkey, the Gulf states, the Philippines and others. The biggest question of all is obviously India.

But development takes time before it has a large measurable impact on New Zealand. For the moment, our export story is very much a ‘China story’. But we live in the era of ‘hyper-globalisation’, where the Petersen Institute has estimated that over the period 1990–2010 more than 70 countries grew their per capita incomes at an annual rate well exceeding the rate of growth of US per capita income.

Second factor
The second factor is, of course, the opening of the Chinese market through trade negotiations. Having hundreds of millions of consumers with disposable incomes ready to buy the sophisticated suite of goods and services that New Zealand can produce is not much use if you do not have access to them because of their trade barriers. Those very vocal New Zealanders whose views we read every day on this matter and who oppose every trade agreement I and other New Zealanders have tried to put together, including the Trans-Pacific Partnership, do not get this and they never will. I do not know how they think New Zealand is supposed to earn a living in the world.

The first decisive move in terms of our getting far better access to the increasingly well-off Chinese consumer was the conclusion of twelve years of negotiation in Geneva that allowed China to become a member (technically, ‘resume’ membership) of the WTO. New Zealand was the first country to conclude bilateral WTO negotiations with China. At one level, therefore, this had nothing to do with our free trade agreement: it is one of our ‘four firsts’, as the Chinese leaders put it. But at a political level, it had a lot to do with our free trade agreement. The Chinese did not forget this, and this was one of the political building blocks behind the free trade agreement.

Finally, there is no difference between ‘foreign policy’ and ‘trade policy’ for New Zealand. Get it right, and they complement each other. Get one of them wrong, and it is like waving the wrong flag at a bull, so to speak.

Second move
The second decisive move was the signing of the free trade agreement in 2008. This was a huge achievement and we today have a literally unique set of agreements in place: a comprehensive free trade agreement with China, a comparable agreement with Hong Kong in place since 2010 and, since 1 December last year, a comprehensive economic co-operation agreement with Taiwan.

Our exports to Taiwan have exploded since December, which is hardly surprising since duties were eliminated on entry into
force on a very significant set of tariff lines. So if you think of the greater China economic zone, New Zealand is currently better placed than any other country in the world to get access to its consumers.

However, I have always said that a free trade agreement, or an agreement like it by any other name, does not in itself put a dollar on the table, if you do not make efforts to use and leverage it. From the prime minister down, ministers have put enormous commitment into leveraging that effort in recent years — have a look at the visas in my passport as one sign.

And it is obviously not just ministers: our companies and our institutions have lifted their game — sometimes a little late, in my view. We have established the New Zealand China Council, chaired by the Sir Don McKinnon. New Zealand Trade and Enterprise, which has been given considerable new financing, is adding six staff to the 62 staff already on the ground in China. The Ministry of Primary Industries is in the process of moving from one to seven staff in China. Divisions working on China in New Zealand are being strengthened. It is a work in progress.

Our footprint in China will presumably look quite a bit different ten years from now.

Impressive increase
It is, however, beginning to pay off. From 1992 to 2007, merchandise exports to China increased by an average compound annual growth rate of 12 per cent. From 2008 to 2012 that rate more than doubled to 28 per cent per annum. Last year exports increased by a mind-boggling 45 per cent. Note incidentally that this was during a period when Chinese growth was ‘slowing down’.

That growth rate has to slow. If you extrapolate our current rates of export growth, within a few years we would be exporting more than 100 per cent of our exports to China — a literal impossibility. With respect to our main agri-business exports, we will sooner or later hit supply constraints.

I have been a sceptic for some time of the conventional wisdom around the ‘what happens if China’s growth rate slow’s’ school of thought. First, because it is not a question of ‘if’ — China will slow down. No country, with the singular exception of the city-state of Singapore, has done otherwise from the Industrial Revolution onwards. Second, because it seems to me to miss the point.

What matters to China’s trading partners is the increment of GDP growth, not some abstraction called a ‘growth rate’. Today’s China’s GDP is around US$10 trillion and the rate of growth is around 7 per cent. Yesterday (metaphorically speaking — say 2005) it was half that — US$5 trillion growing at around 10 per cent. So today, the annual increment of growth is around $700 billion, far larger than the $500 billion GDP increment seven or eight years ago when China had double-digit growth.

Risk sectors
I recently asked the Ministry of Foreign Affairs and Trade’s Economic Division to undertake a more granular analysis of sectors of our export economy that were most ‘trade exposed’ to China. It is a pretty comprehensive study, so I will draw out only a few of what I think are the key conclusions we should draw from it. Nor will I try to explain their choices of metrics and methodologies. They all look sensible to me. Before joining the dark side and going into politics some ten years ago, I used to do this sort of analysis myself.

There are eighteen products that are highly ‘trade-exposed’ to China (meaning over-weight in trade terms). In 2012, their combined export value was $5.25 billion, comprising 77 per cent of our exports to China that year (which is a lot lower than our 2014 exports).

In seventeen of the eighteen ‘most at risk’ products, exports grew faster to China in 2012 than the same set of products to the rest of the world. And in some cases we are seeing rapid growth in exports to China associated with declines in New Zealand exports to the rest of the world.

There is clear evidence of market-switching going on. Crustaceans are among the ‘highly trade exposed’ categories. Should we be concerned that our exports of crustaceans to the world excluding China fell in 2012? It is not obvious to me why we should be concerned: our exports to China increased 28 per cent. China is simply paying higher prices.

But, you ask, what if China Inc decides eating crustaceans is ‘soooo 2012’ and the in-crowd in Shanghai starts eating escargots? What then happens to our crustacean exporters? Well, I would have thought it was pretty obvious — our crustacean exports (heavily represented by the way by Maori business interests who are going really well in the Chinese market) go back to the other markets and take a price hit. They would not like it, but it is hardly the end of the world. And since we have a market economy, someone, somewhere in Aotearoa, will think — ‘I wonder if we could export escargots to Shanghai?’

Sheepmeat example
Sheepmeat is another example and of far greater economic importance to our export earnings. When we concluded the Uruguay Round negotiations, and the numbers are ingrained on my mind twenty years on, we bound the figure of 225,000 tonnes of access into WTO law at zero duty. Our exports of sheepmeat to China exploded in 2013 — they grew 95 per cent to a tad under $600 million. As a consequence, we are selling way short of that legally permissible 225,000-tonne figure to the European Union. So what do you think would happen to our sheepmeat exports if China Inc, for some incalculable reason, said ‘we have gone off New Zealand sheepmeat’?

We can see the same thing starting to happen to beef. The figures for CY2013 show declining exports of New Zealand beef to many markets. But they also show an astonishing 374 per cent increase in beef exports to China to over 35,000 tonnes.

No wonder Sir Graeme Harrison, the chairman and founder of our largest export companies, says ‘sheepmeat is interesting, but for our meat industry,
the real China play will be in beef.

There are exports in this analysis where moving back to the next best-priced market would be very challenging. Iron ore is one of them. China consumes around two-thirds of the world’s tradable iron and unsurprisingly 78 per cent of our iron ore exports go to China. But this is only 1 per cent of our exports to China. This is a huge issue for Australia. It is a much lesser issue for New Zealand. But recall the earlier point about the triangulation of the New Zealand–Australia–China trade flows.

So what general conclusions can we draw here and what policies should we have in place to take some of the risk out of this situation?

**Obvious point**

The first and most obvious point is that the core external challenge facing New Zealand is to lift our export performance in a sustained way — hence the emphasis the government places on export markets in our business growth agenda and desire to lift the ratio of exports to GDP by 10 percentile points by 2025. This is the only way to reduce our addiction to OPM (borrowing other people’s money) and paying our way in the world. As the prime minister has said ‘We have proven we can spend like a first world country; now we have to prove we can earn like a first world country’. China is the most important part of a solution to that over-arching strategic challenge; it is not part of the problem. Because of that we should try to export more, not less to China, and the Chinese are ready to welcome this — hence the agreement at the highest political level between Prime Minister Key and President Xi to the new goal of $30 billion two-way trade by 2025.

That said, it does always make sense to look at downside scenarios, while not being overwhelmed by them. If China, for whatever reason, had a deep and sustained economic crisis — and we know from the global financial crisis, the deepest downturn for 70 years for developed countries, that even the richest countries can take nothing for granted — we should accept the obvious: a large economic shock in China will negatively impact New Zealand.

If 124 countries have China as their largest trading partner, it is obvious that we would be negatively impacted even if New Zealand exported nothing to China. I recall saying in 1997 at the time of the then Asian economic crisis that if your country was not affected by the Asian financial crisis it was a black mark against your country. It meant you had wasted the previous ten years and had failed to become integrated with the Asian success story. As far as I recall, only one economy remained gloriously unaffected by the Asian economic crisis of the late 1990s: North Korea. So what did that mean? We should have learned from North Korea?

The biggest single risk-minimisation strategy New Zealand can follow is to ensure that our exporters — whether they are exporting high technology medical equipment or infant formula — have access to other markets. That is what our pro-active trade negotiation and trade promotion agenda is all about.

**Difficult process**

As always, New Zealand’s trade negotiation agenda is agonisingly difficult to bring to a closure: I have never been associated with an ‘easy’ negotiation. Everything takes longer than planned. Every agreed time-line gets broken. Frustration is the rule, not the exception. It is unlikely you would get the chance, but if you did, ask the gentlemen who was responsible for getting China back into the WTO. That took twelve years. His Russian counterpart (whom I know extremely well) took eighteen years — and there was talk in the Dumas of charging him and his colleagues with treason. The worst I suffer from is continual jet lag.

Absolutely the best insurance policy New Zealand can take out is to complete the TPP negotiations and improve our access to the huge markets that would represent — about 40 per cent of global GDP. And this allows me to return to where I started: the real, as opposed to the imagined, lessons of 1973 when our overwhelmingly important export market, the United Kingdom, started to turn away from New Zealand and legally required us to export less, year by year (’Protocol 18’ was the name of this policy instrument).

The real problem was not so much the dependency of our export base on the United Kingdom (which was around three times as high as the relative share of our exports to China today). The fundamental problems were twofold:

- We had no alternative markets — nobody had done very much about exploring what might lie east and south of the English Channel and what political and other relationships we might need to develop as a consequence;
- We had rigid economic policies in place designed to try and ‘protect’ everything but which ended up protecting nobody.

We are in a far, far better space today. We should be celebrating, not fretting about, our economic linkages with China.
Helen Clark's global diplomacy

Ken Ross reviews the performance of New Zealand’s most prominent female political figure.

‘From NZ to NYC Eyes on the Summit’ (Financial Times, January 2014)

‘… in the run-up to the invasion of Iraq in 2003 she seemed to be regarded by Radio 4’s programme producers as the political voice of reason’. (Financial Times, February 2007).

Helen Clark has the most complex global diplomacy profile of the fifteen prime ministers that New Zealand has had since 1945. Most of her important contributions to the Kirk brand — New Zealand as a progressive small state, with a deep internationalism central to our national identity — occur before and after she was prime minister. Her steeling of David Lange to achieve our non-nuclear accomplishments is among the most valuable contributions any New Zealander other than a prime minister has achieved for embedding the Kirk brand in our DNA.

Clark’s post-prime ministerial career is better showing off her talent for global diplomacy in a role suited to her strengths. Her years as prime minister became a finishing school for that future: she had refreshed her intellectual capital and maturity of mind, largely as a by-product of her assiduous presence at leaders’ gatherings. Increasingly, it is apparent that Clark’s nine years as prime minister may not be the pinnacle of her career and that she may not yet have peaked. Her post-prime ministerial accomplishments have been bedded in by the Kirk international style.

Global diplomacy is what prime ministers do to advance their government’s foreign policy. This article is a short version of the chapter on Clark that is to be in my forthcoming book on the global diplomacy of New Zealand prime ministers since 1945.

When she became prime minister her longstanding engagement in world affairs generated high expectations that she would lift New Zealand’s global reputation. But Clark’s prime ministership had just one iconic moment of global stature — her ‘No’ to joining the coalition of the willing that intervened militarily in Iraq in March 2003. She undermined that by committing New Zealand to military engagement in Afghanistan and Iraq (for reconstruction after President Bush declared ‘victory’).

While Clark was prime minister the country knew that our non-nuclear policy, enshrined in the 1987 legislation, was secure. It had to be — Clark was the legislation’s Praetorian Guard. Conversely, it was well appreciated that while George W. Bush occupied the White House it was a period for Wellington to draw up the wagons to better ensure our non-nuclear status quo. Clark’s misfortune then was to depart the prime ministership as Barack Obama began his transition to a presidency that is giving us the most friendly administration New Zealand has ever had in the White House.

Clark warrants a bouquet for several accomplishments she achieved on the world stage in her prime ministerial years. Promoting Sir Kenneth Keith’s election to the International
Court of Justice in 2004 is the prime instance. Keith’s nine years on the court has been an exemplar of the Kirk brand.

She polished New Zealand Inc by her willingness to go to Dublin in November 2006 to stand with the Rugby Union in their bid for hosting the 2011 Rugby World Cup. She was at the forefront of support for Team New Zealand’s America’s Cup campaigns. She gave priority to our national remembrance of New Zealand’s historical military expeditions, including the construction of New Zealand war memorials in London and Canberra, and the interment of the Unknown Warrior in the National War Memorial. There is a wonderful paradox that the former protestor against the Rugby Union and the Vietnam War invested so much of her mature intellectual capital while prime minister to the task of enhancing New Zealanders’ appreciation of them. Though a big plus for her overall performance as prime minister, these endeavours do not amount to global diplomacy. Neither does another important accomplishment, pushing trade negotiations — with the big success the China free trade agreement. Seemingly inherent was a new ethos — keep politics out of trade (remember the catch-cry of no politics in sport).

Clark, her own arts and culture minister, was strongly supportive of the national symphony orchestra and ballet going international. Clark also did two signature tunes early in her prime ministership that cooled New Zealand’s defence positioning. She reversed the late rash move of the Shipley government that had committed New Zealand to acquiring a batch of 28 F16s that had long been controversial as forbidden fruit for the original purchaser, Pakistan. Clark also stilled expectations of a new Defence white paper: she had seen the chilling effect such an exercise had had on the Lange prime ministership.

Clark background

Beverley Doole’s February 2007 Financial Times’ piece ‘Premier League’ is the outstanding profile of Clark.3 Doole invoked the regard Radio 4’s programme producers had for Clark. The BBC had also been the crucial conduit when Clark first gained serious global attention — her humanitarian response to the Australian government’s interception of the Norwegian freighter mv Tampa in August 2001. Then, she caught the interest of international progressives, registering the thought that she was a prospective global high-flyer.

Clark’s intellectual capital has long been London. Since, at least, her graduate student years, she has had an on-going British focus: the Labour Party there has been of more interest to her than has been the Australian Labor Party. In 1976 Clark spent several months in Britain doing doctoral research. Soon after her return to Auckland her husband-to-be Peter Davis, with his stimulating intellect, became a key companion. They shared a declared left-wing British diet, reportedly centred round the Guardian Weekly and the New Statesman.

Her next period of travel tuning her international focus was in 1984–87, while the chair of the parliamentary Foreign Affairs Select Committee. In those three years Clark efficiently exported the government’s non-nuclear policy. She appeared at numerous international gatherings promoting the New Zealand story.4

Smart use

After she became the opposition leader in 1993 she made smart use of her annual publicly funded overseas trips (and subsequently gave informative reports to NZIA gatherings that this journal then published). Asia was the focus of that travel. Her numerous look-ins in London were usually financed personally as she and Davis refreshed their intellectual capital. During the 1990s Clark closely observed the New Labour project — led by Tony Blair, Peter Mandelson and Gordon Brown — ahead of the Labour landslide on 1 May 1997 and then Blair’s increasingly dismal prime ministership through to mid-2007 (and Brown’s distraught performance once ensconced in 10 Downing Street).

Since the early 1980s Clark has given us a paper trail, recognisable by her distinctive tinder-dry writing style, which has thrown some light on her thinking throughout her career.5

It was Clark who carried the torch for the Kirk brand,
particularly on nuclear issues. In the mid-1980s, Clark was, even more than David Lange, the most critical player in the fourth Labour government for locking in the legislative basis to the non-nuclear posture. Lange acknowledges this in his 1990 memoir:

Before the bill was introduced, it went for scrutiny to the Labour Party caucus, where for two days members pored over its every word. The inevitable misgivings of the party outside Parliament were largely contained when the bill received the endorsement of a Member of Parliament called Helen Clark. In those days she was a pillar of the left, and had many close connections in the wider nuclear-free movement. After characteristically thorough examination she reached the conclusion that the bill was the most practical mix possible and gave it what amounted to a seal of approval. The party followed her. Approved by the caucus, the bill received its first reading in Parliament.6

Lange’s view of Clark’s central role then is complemented by assessments of others, particularly Malcolm Templeton, Margaret Wilson, Colin James, Denis Welch and John Henderson.

Huge task
Clark has acknowledged publicly the importance outside politics gave the non-nuclear credo.7 She has reflected on the effort, in a manner which does her great credit:

I got a lot of pleasure out of explaining and selling the non-nuclear policy and helping make policy post-Anzus. Seeing the ideas take root and grow, and taking enough of the public with you so that if the Americans did scuttle Anzus it would not be an electoral liability. That’s been really exciting and one of the best experiences since I’ve been a politician. I’ve articulated what we could be without the American security blanket.8

The statement captures how huge her task had been. That success was sustained by the March 1990 volte face of the National Party following Foreign Minister Mike Moore’s amicable meeting with US Secretary of State James Baker on 1 March. The party’s polling in the first two months of 1990 had been showing a sizable bloc of women — seemingly those who had heard Helen Clark — were still unwilling to switch from Labour because of National’s insistence in overturning the non-nuclear status.

Diplomatic performance
For Clark’s global diplomacy during her prime ministership, we can only draw on some occasional pieces from commentators working out of the parliamentary press gallery, such as Colin James, Jane Clifton, John Armstrong and Audrey Young. The Stout Centre has yet to have a Clark conference — it is the obvious next given the centre’s impressive record of prime ministerial retrospectives. None of Clark’s ministerial colleagues, nor her key mandarins, have published material akin to Hugh Templeton on Muldoon, Michael Bassett on Kirk, Rowling and Lange or Don McKinnon on Bolger. The scholarship has been slim on her global diplomacy — the best single resource is the fourth NZIIA survey, in the Robert Asyson and Robert Patman chapters. Mark Prebble has given a useful account of Clark’s ‘war’ decisions.9

In the first flush of her prime ministership Clark did stretch her legs with her international connections. She fitted in a quick trip to Chile for the inauguration of Ricardo Lagos, the first Socialist to hold the presidency since Salvador Allende’s death in September 1973. In September 2000, Clark addressed the UN General Assembly. She never again did so while prime minister.

Her high point in identifying with the United Nations was in December 2002. She went to New York to stand by Kofi Annan and Hans Blix as the United Nations sought to inspect Iraq’s weapons of mass destruction and forestall any military invasion not authorised by a second UN resolution.

When Clark was prime minister in March 2003 she made an outstanding reiteration of the Kirk brand — not to join the coalition of the willing intent on a military intervention in Iraq. Instead she sided with Canada, Chile, Mexico and others to argue that without the second United Nations resolution the military intervention was not acceptable. After she hit that high note Clark experienced serious turbulence. The key reality was that she faced hostile leaderships in Washington — the Bush administration angered by her ‘No’; Canberra — Howard’s displeasure, as he badged himself as Bush’s ‘deputy sheriff’; and London — for Clark, the really hard one: Tony Blair’s alignment to Bush.

Further constraints
Further constraints on Clark doing global diplomacy when prime minister were:
- a weak cadre of close political advisors: her solitary ‘inner circle’ confidant, Heather Simpson, was able in many tasks but helping Clark do global diplomacy was not one of them;
- her hard luck in having such a weak pool of ministerial prospects, which was borne out by the mundane track-records of her pertinent ministers during her prime ministership;
- the presence of few mandarins, and many lemons, among her senior foreign policy officials;
- the lack of an effective liberal ‘ganger group’ among her parliamentary supporters (as she had been for Lange).

After her March 2003 ‘No’ she kept her head down on foreign policy, except for being an active support player on corralling Zimbabwe in Commonwealth circles and being a regular attendee at South Pacific, Commonwealth and Asian (APEC and EAS) summity. She did not bring her global companions home.

Clark warrants credit for deflecting what could have been a troublesome moment — a visit from George W. Bush in the final year of his presidency,10 If Bush had come, his would have been just the third by a US president.

Clark’s prime ministerial tag was a high-value entree for her participation in the Bill Clinton–Tony Blair initiated Progressive Governance project — just 31 heads of government came to its gatherings, which billboarded several super-star performances from Clinton. She was the leader who attended the most gatherings, and it became one of her several valuable launch-pads for her post-prime ministerial career, during which she has had her finest Kirk brand performance.
Helen Clark celebrates with members of the bid team on 17 November 2005 after New Zealand was awarded the hosting rights for the 2011 Rugby World Cup.

**Finest performance**

Through 2006 there was media speculation in New Zealand and internationally that Clark was a prospect to succeed UN Secretary-General Kofi Annan at year’s end. Clark was interested, fuelled in part by other women prominent in global affairs who saw her as their best prospect for the first-ever female secretary-general. Clark was never a publicly declared nominee — there were seven, including one East European woman, Vaira Vike-Freiberga, then the president of Latvia. Clark was to be one of several quality wallflowers. The insipid Ban Ki-moon was found unstoppable. Clark is now into a second four-year term. She is one of just a few impressive performers in the United Nations’ senior management team.

A month after she stood down as prime minister, Clark moved decisively when an unexpected senior UN vacancy arose. In January 2009 the United Nations had an unscheduled need to find a successor for Kemal Dervis, a former Turkish finance minister who had been the administrator of the UN Development Programme (UNDP) since August 2005. Dervis was opting out of public office early. Like Clark, he had been seen in 2006 as a possible successor to Annan, but he, too, was to be a quality wallflower then. Within four months Clark was sitting at Dervis’s old desk. She had a batch of lucky stars that were not available in 2006, including Richard Holbrooke and Lord Malloch Brown, who helped her pull off an impressive appointment, one that Ban Ki-moon found unstoppable. Clark is now into a second four-year term. She is one of just a few impressive performers in the United Nations’ senior management team.

**Possible secretary-general**

Clark is one of the names most often mentioned in serious ruminations on who will move into the secretary-general’s suite on 1 January 2017. Clark’s leadership of the UNDP may most make or break her in a selection process that is expected again to be more opaque than recent papal contests and which appears set to become one of the last key international decisions that Barack Obama will influence, quite possibly after his successor has been elected.

Clark stands tall on the criteria which the UN’s General Assembly resolved in July 1997 that the Security Council is to use in finding Ban’s successor. ‘Best candidate’ is the prime criterion stipulated, to be complemented by ‘due regard shall continue to be given to regional rotation and shall also be given to gender equality’. The latter two criteria were given equal standing, and neither, singularly or jointly, is to trump the ‘best candidate’ one.

Three regional and bilateral issues with New Zealand MFAT secretary-general could again be rebuffed on their claim to deserving their turn (their region being seen as a relic of a past era and, anyway, Moscow vetoes East Europeans).

**NOTES**

3. Doole, op cit.
4. Helen Clark, ‘No nukes meeting in Athens’, New Outlook, Mar/Apr 1985, pp.10–11, reports her January 1985 participation at a high-level gathering, the Five Continent Peace Initiative (the ‘brainchild’ of the Parliamentarians for World Order). Clark also refers to her travel in the United States late the previous year (during that trip she reportedly got the crucial tip-off of USS Buchanan’s prospective visit). Denis Welch, Helen Clark: A Political Life (Auckland, 2009), p.73, and Brian Edwards, Helen: Portrait of a Prime Minister (Auckland, 2001), p.183, cover her extensive international travel in these years.
5. Evident in her writings as early as 1983: see Helen Clark, ‘Epilogue: Frontiers for Democratic Socialism’, in Peter Davis (ed), Social Democracy in the Pacific (Auckland, 1983), pp.170–8; two years later with Helen Clark, ‘Establishing a Nuclear-Free Zone in the South Pacific’, in Hyam Gold (ed), New Directions in New Zealand Foreign Policy (Auckland, 1985), pp.121–6; and as recently as 2013, with Helen Clark, At the UN: Addresses from Helen Clark’s First Term Leading the United Nations Development Programme (Auckland, 2013). Clark’s parliamentary valedictory speech was in this mould.
10. Audrey Young, ‘Bush visit to NZ was rejected by Labour: Wikileaks’, NZ Herald, 4 May 2011. The cable, dated 30 October 2007, was 07WELLINGTON785 ‘A/S Hill reviews regional and bilateral issues with New Zealand MFAT secretary Murdoch’. The New Zealand Herald placed this cable on its website on 23 December 2010.
India’s 2014 elections: the BJP’s victory

Sagarika Dutt reviews the triumph of Narenda Modi’s party in the recent Indian elections.

‘On 16 May 2014 the people of India gave their verdict. They delivered a mandate for development, good governance and stability.’ (Prime minister’s official website)

The Indian general elections of 2014 to the 16th Lok Sabha (lower house of Parliament) was held in nine phases between 7 April and 12 May in 28 Indian states and seven Union territories. India is the world’s largest democracy and according to the Election Commission of India more than 800 million voters were eligible to vote in these elections, out of which 553.8 million cast their vote, resulting in a turnout of 66.4 per cent at the all India level.

An Indian newspaper noted that ‘The turnout witnessed in this year’s Lok Sabha elections has broken all records and is the highest ever in the history of the country’. In some states the turnout exceeded 80 per cent, for example, Nagaland, Tripura and West Bengal, all in the east and north-east of the country. Another notable feature of the elections was that in many states women’s turnout was higher than that for men. These include Arunachal Pradesh, Bihar, Goa, Himachal Pradesh, Manipur, Meghalaya, Orissa, and Sikkim, among others.

While the two main political parties contesting the elections were the Indian National Congress and the Bharatiya Janata Party (BJP), there were a number of other parties that participated in the elections including the new Aam Aadmi Party founded by Arvind Kejriwal, and several well known regional parties like the Trinamool Congress, the All India Anna Dravida Munnetra Kazhagam (AIADMK), the Telegu Desum, the Shiv Sena, the Biju Janata Dal and the Shiromani Akali Dal. Incidentally, some of them have swept the polls in state elections, for example, the Biju Janata Dal in Odisha. In the Seemandhra Assembly polls, the Telegu Desum Party and its electoral partner, the BJP, have returned to power after a gap of ten years. In West Bengal, the Trinamool Congress won 34 out of the 42 Lok Sabha seats (while the BJP won just two) and its fiery leader, Mamata Banerjee, continues to have a strong voice in West Bengal politics.

Relative performances
The exit polls predicted a BJP victory and ‘the worst ever defeat for the Congress party led by its vice president, Rahul Gandhi, son of former Prime Minister Rajiv Gandhi. The BJP actually performed even better than expected, winning 282 seats. The Lok Sabha has 543 seats, and only 272 seats are needed to win the elections. In recent decades both the Congress and the BJP have formed coalitions with other minor political parties to form a government, but this time the BJP could have formed a government on its own. The BJP-led National Democratic Alliance now has 337 seats in the Lok Sabha.

The Congress, on the other hand, as predicted has performed dismally, securing only 43 seats. The Congress-led UPA alliance, with a total of only 58 seats, is struggling to be the principal opposition party in the Lok Sabha. The BJP’s prime ministerial candidate, Narenda Modi, who was also chief minister of Gujarat state, one of the fastest growing states in India, for thirteen years, led its campaign. The day after the election results were declared, the Statesman newspaper noted that ‘led by the populist and aggressive Gujarati chief minister and its prime ministerial nominee, Modi, [aged] 64, the BJP powered its way across the country, sweeping through Northern and western India, and even making deep inroads into southern, eastern, and north-eastern parts of the country.’ A triumphant BJP leader, Murli Manohar Joshi, said that there was a ‘huge wave’ for change in support of the BJP and Narenda Modi is on ‘top of this wave’.

In a developing state, the focus of any election campaign has to be on economic development. The BJP’s election manifesto asserted that its government will be ‘an enabler and facilitator in the rapid progress of’ the Indian economy.
states. It will ‘evolve a model of national development, which is driven by the states’. Entrepreneurship will be encouraged, to start small and medium enterprises, ‘creating jobs and prosperity’, and there will be investment in industrial regions as global hubs of manufacturing. Modi claimed that his two main goals were to promote development and improve governance. The manifesto promised that ‘administrative reforms will be a priority for the government’. One of the key objectives will be to make the government’s decision-making process transparent. Government systems and processes would be made more ‘citizen friendly, corruption free and accountable’. It went on to say that ‘every effort would be made to meet the development aspirations of the people and to make the government agencies accountable to the citizens’. The BJP made promises to tackle corruption, inflation, unemployment, violence against women and other issues that the Indian people are concerned about.

**Inauguration ceremony**

The swearing-in ceremony of Narendra Modi was held in Rashtrapati Bhavan in New Delhi on 26 May. It was a massive gathering attended by more than 4000 guests, including leaders of all the members of the South Asian Association for Regional Co-operation (SAARC). The *Statesman* noted that ‘the smooth transition of power in the world’s largest democracy was witnessed by leaders of the SAARC nations’, including Prime Minister Nawaz Sharif of Pakistan and President Mahenda Rajapaksa of Sri Lanka. Afghanistan’s president, Hamid Karzai, was also present. Modi and 23 Cabinet ministers and 22 ministers of state were administered the oath by the president of India, Pranab Mukherjee. Later the following statement was released on the prime minister’s website: ‘let us together dream of a strong, developed and inclusive India that actively engages with the global community to strengthen the cause of world peace and development’. According to a statement released by the Pakistan High Commission, Nawaz Sharif felt that the occasion was an opportunity to ‘reach out to each other’, noting that both governments have a strong mandate and should ‘rid’ the region of instability and insecurity ‘that has plagued us for decades’.

The invitation to Nawaz Sharif was seen as a significant olive branch to India’s Muslim neighbour and marked the first time that a leader from either country had attended his counterpart’s inauguration since independence in 1947. Sharif reciprocated by commenting that ‘I am carrying a message of peace. Dialogue is the only solution’, before boarding his plane in Lahore. Photographs of Modi and Sharif shaking hands were broadcast widely as the media and the international community, by extension, took note of this historic event.

**Personal values**

There are plenty of newspaper articles and statements on Narendra Modi’s vision for India. But it is difficult to judge his sincerity from these secondary sources. Thus the best sources are his own speeches delivered in Hindi, such as that given in the Central Hall of Parliament after the BJP parliamentary party met on 20 May to elect him party leader, a formality before his appointment as prime minister. He gave this speech before senior members of the BJP and it was an emotional speech. In many ways it was also an inspiring speech, suggesting that he is a man with a strong character. His dedication to serving the nation, his selflessness, his sense of duty, and his humility came across very clearly in his speech. He referred to the Parliament as loktantra ke mandir or the temple of democracy, implying that all who served in the Parliament were performing a sacred duty. He also asked: ‘Aakhir sarkar kiske liye hai? (Who is the government for?)’. His answer to the question was simply, ‘ye sarkar garibo ke liye hai’ (this government is for the poor people), they have sent us here. It is the government’s responsibility to fulfil their hopes and aspirations. He dedicated the new government to the poor, the youth and the women of India.

Modi’s views on democracy are also worth noting here. In a speech on ‘Effective governance: getting results in a democracy’, he contrasted democracy with foreign rule and authoritarian systems, and argued that ‘for vast and diverse countries like India there cannot be a better model of governance than a democracy’. Its principal merit is that ‘it allows the local voices and concerns to be built into the national agenda’. He also emphasised that in a democracy like India, governments are merely the ‘guardians of
of people’s interests’ and ‘trustees of the nation’s resources’ (as Mahatma Gandhi used to say) and ‘nothing more’.

**International response**

The US Department of State congratulated the people of India on the successful elections. Noting that over 500 million voters went to the polls over a period of six weeks, often in remote or challenging locations, a spokesperson for the State Department said ‘we look forward to working with the leaders chosen by the Indian people... and to set an ambitious agenda’. President Barack Obama also congratulated the people of India, saying that the country has set an example for the world. He said: ‘We look forward to the formation of a new government... and to working closely with India’s new administration to make the coming years equally transformative’. He noted that ‘The United States and India have developed a strong friendship and comprehensive partnership over the last two decades, which has made our citizens safer and more prosperous and which has enhanced our ability to work together to solve global challenges’. When he called to congratulate him, he also invited Modi to visit the United States. A bilateral summit will be held in the last week of September in Washington.

A steady stream of foreign dignitaries have been visiting New Delhi to ‘do business’ with the new government. Russia’s deputy foreign minister, Dmitry Rogozin, was in India in June, and French Foreign Minister Laurent Fabius visited in early July. Russia is a long-term supplier of arms to India, while France’s Dassault has been named as India’s preferred partner for a fighter jet deal worth just under £9 billion.14 China’s foreign minister, Wang Yi, also visited the country. British Foreign Secretary William Hague and Chancellor George Osborne were in India on 7 and 8 July to promote business between the two countries and ‘to strike a series of multimillion-pound defence and construction deals’. Osborne said in Mumbai: ‘I believe a stronger relationship with Britain will help deliver the new economic policy of the Indian government.’ He wants British companies to provide the foreign direct investment (FDI) that India is seeking. He visited Delhi airport where British designers and engineers are helping to build the new airport. He also announced that Indian pharmaceutical company CIPLA is to invest up to £100 million in the United Kingdom. He stressed that it was not a one-way street.

We want Indian business in Britain as well. Indians invest more in Britain than the rest of the European Union [put] together. Indian companies [like TATA’s Jaguar Landrover] employ a 100,000 people in Britain.15

**Defence sector**

India’s defence sector is likely to attract more foreign direct investment than it has done in the past. Policy-makers want to reduce the country’s dependence on imports and to boost local manufacturing, which contracted by 0.7 per cent in 2013–14. This sector has managed to attract foreign direct investment worth only $4.94 million in the last fourteen years.16 According to an analysis published recently, to increase self-reliance in the defence sector a Modi-led government is likely to seek to strengthen India’s weak military manufacturing industrial base by expanding private participation, raising the cap for foreign investment in defence firms from 26 per cent to 49 per cent, and promoting joint ventures between Indian and foreign defence firms. Dealing with a perennial problem, the new government will also strengthen defence infrastructure along the 4000-kilometre-long disputed boundary with China, while fostering links with developed- and developing-world military powers as a hedge against China’s far greater military capabilities.17

India’s annual defence budget is only one-third of that of China, according to a Pentagon report. In 2013 it was $39.2 billion, as against China’s $119.5 billion, Russia’s $69.5 billion and Japan’s $56.9 billion. The irony is that while India is the world’s largest importer of arms, only 15 per cent of India’s defence equipment is ‘state of the art’, according to the first comprehensive report on the country’s defence sector prepared by global consultancy firm KPMG and the Confederation of Indian Industry. Arms imports are necessary because of a high demand from the Indian armed forces to replace their obsolete equipment and the poor manufacturing capabilities of India’s state-owned and private defence firms.18

**Union budget**

The new government presented its budget to the Parliament on 10 July. The nation has been waiting for this budget as the economy has not performed well in recent years. India’s GDP growth rate, at 4.5 per cent, was at its lowest in a decade in 2012–13. It picked up marginally in 2013–14, and rose to 4.7 per cent. According to the ‘Economic Survey 2013–14’, presented by Finance Minister Arun Jaitley in Parliament on 9 July, the Indian economy is expected to grow between 5.4 per cent and 5.9 per cent in 2014–15.19 It further said that the measures taken by the government to improve the investment climate and governance could push growth up to 7–8 per cent in the coming years. The slowdown in economic growth had affected the industrial sector in particular. Thus ‘the revival of the industrial sector, with its economy-wide linkages, is central to the revival of aggregate economic activity’. The survey noted that industrial growth was expected to revive gradually over two years and food grain production was also expected to go up. On a more positive note it confirmed that the poverty ratio — the percentage of population below the poverty line — had declined from 37.2 per cent in 2004–05 to 21.9 per cent in 2011–12. The finance minister also emphasised that anti-poverty programmes will be given importance by the new government.

One of the main features of the budget is the importance given to foreign direct investment. Jaitely argued that the National Democratic Alliance wants to promote such investment in certain selected sectors. However, this has not been received well by the opposition parties. For example, the leader of the Trinamool Congress and West Bengal chief minister, Mamata Banerjee, called the Modi government a ‘government of FDI, by FDI and for FDI’, and has expressed the fear that ‘value-based politics’ would give way to ‘a politics of surrender to big money’.20 She described the 2014–15 budget as ‘visionless, missionless and actionless’ so far as the common people are concerned. Similar views were expressed by the Congress leader, Veerappa Moily, who said that the budget ‘does not reflect the aspirations of the common man’, and D. Raja of the Communist Party of India, who expressed
the opinion that it was a budget for the corporate sector and not for the common man. But there are other reasons for Mamata Banerjee’s bitterness. West Bengal has been virtually ‘excluded’ from the Union budget even though it has potential in various sectors, such as textiles.

**Foreign investment**

The foreign direct investment limit in the defence sector has been raised from 26 per cent to 49 per cent. This is a significant move and is part of the military modernisation drive. The defence ministry has been allocated 2.29 billion rupees in the budget, marking an increase of around 12.5 per cent from the last fiscal year. Gopalaswami Parthasarathy, India’s former high commissioner to Islamabad, writes that India’s armed forces are woefully short of crucial weapons and equipment, including fighter aircraft, submarines and mountain artillery, to meet security challenges across our land and maritime borders. Moreover, efforts to build an industrial base to meet our growing defence needs have not gathered momentum.

India makes few of its own weapons, beyond ballistic missiles and assembly lines for foreign jets. It spent $6 billion last year on importing weapons. Foreign direct investment in the insurance sector is also to be raised to 49 per cent and the Railway Budget for 2014–15 proposes to attract private domestic resources and FDI for infrastructure projects and pursue private–public partnerships to boost the finances of the cash-strapped railways. In the longer term this will prevent any further fare hikes.

The BJP’s electoral victory has not come as a surprise to anyone. It was time for a change in Indian politics. The Congress had been in power for ten years and was not expected to be re-elected for a third time. Apart from the anti-incumbency factor, the Congress Party’s failure to revive the economy, deal with inflation, corruption, unemployment, and other social and economic issues led to it falling out of favour with the voters, that is, the Indian public. An aging prime minister, a lack of good political leadership and the absence of a credible prime ministerial candidate were other factors that have increased its unpopularity. The BJP, on the other hand, was well prepared for the elections. It had a credible prime ministerial candidate who had the support of the senior members of his party, a track record as chief minister of Gujarat, ideas on how to revive the economy as well as concrete plans for taking India forward. But as he and his ministers admit, there are many challenges that they have to face on the road ahead. In a country with 1.2 billion people and widespread poverty, promoting economic growth and ensuring that it translates into social progress will need very careful planning and well thought out policies.

**NOTES**

1. Prime Minister’s official website (pmindia.nic.in/pmmmessage.php). See also Ajith Vijay Kumar, ‘PM Narendra Modi’s first message: “Together we will script a glorious future for India”’, *Zee News*, 26 May 2014.
2. The Election Commission of India website (eci.nic.in/eci_main1/GE2014.ge.html).
5. ‘Exit polls project a Modi-led govt’, ibid., 13 May 2014, p.1.
8. BJP election manifesto (bjpelectionmanifesto.com!).
10. ‘India, Pakistan ties back in focus as Modi, Sharif show rare statesman-like spirit’, *RT*, 27 May 2014.
11. This video is available on Youtube: ‘Shri Narendra Modi speech in Central Hall of Parliament after the BJP Parliamentary party meeting’. Also see Jason Burke, ‘Narendra Modi makes tearful speech to India’s Parliament’, *Guardian*, 20 May 2014.
22. ‘Defence gets Rs.2.29 lakh crore in Union Budget’, ibid., 10 Jul 2014.
The way forward

Peter Kennedy provides a New Zealand perspective on patchwork governance.

In FRIDE’s study of European foreign policy challenges in 2014, Dr Giovanni Grevi makes the comment that ‘there is a need to move beyond a definition of the neighbourhood as a region centred on Europe’, acknowledging, however, that an alternative paradigm is not easy to define. He refers to the shifting dynamic from attraction to transaction, noting that most governments around Europe are asking what the European Union can do for them, not what they can do to move closer to Europe. The second aspect he touches on is the need to extend the narrow geographic definition of the European Union’s neighbourhood to a broader geopolitical area. This recognises that a major handicap of the European Union is that it tends to think in regional rather than global terms, and this has to change. Despite that, however, there is a perception amongst some — even in Asia — that Europe, perhaps because of the success of its experiment with regional governance, tends to be more confident when it comes to expressing positions on global governance. No lesser person than Kishore Mahbubani, with his colleague Simon Chesterman, argues that:

The challenge to redesigning global governance is that Asians are generally ‘status quo’ powers. The rising powers are reluctant to lead, and the falling powers are unable to lead. It is a nice comment, if you are prone to divide all powers into either rising or falling when looking for leadership. But there are significant powers that are neither rising nor falling, that might be described as ‘current powers’, where leadership is, or has been in the past, apparently lacking. The classic case in Europe was Germany, which was a major economic power for the second half of the 20th century, but chose — even as it contributed mightily to the establishment of the European Communities — to take a low profile approach to regional let alone global leadership. The term ‘apparently lacking’ is used deliberately because behind the scenes Germany exerted much of the power that we see more openly today. A ‘tough on the issue, tough on the person’ approach, as the 2002 German Globe study described it, was fundamental to the high performance direction of the German economy both in good times and bad.

German dominance

Today, in the 21st century, there is no doubt about which member state in the European Union wields the most power — in terms of regional governance at least. That is Germany. What is more open to debate is how far Germany’s influence extends in terms of global governance. But is it a question that should be asked at all? Although it made a bid decades ago to be a permanent member of the Security Council, Germany in more recent times has concentrated on getting its own EU house in order. It has produced some very good thinkers on global governance, but it has stepped back from assuming a global role. It was against NATO involvement in Libya and had conditions tied to its commitment in Afghanistan (although the mere fact it was there in a military deployment, and earlier in Kosovo, should not be understated). Germany appears to have a better understanding than one or two other member states of how it may influence policy within the European Union, which in turn impacts upon the union’s role in global governance. Although it may be concerned about sovereign debt, it appears less concerned about sovereignty per se. One of Germany’s leading commentators on global governance, Dr Inga Kaul, puts it this way:

The conventional perception of sovereignty and the max-
clear that Obama and the Chinese were in fact in the same
strongly in terms of co-benefits, technological leadership and the

The European Union puts much weight on its profile as ‘a norms
based international actor’, to use Dr Grevi’s phrase. The difficulty
is, however, that norms that apply in Europe, or a consensus that
has been forged in the region, do not necessarily fit, and some-
times cannot be applied in, the global environment. The common
agricultural policy could be argued to be a regional norm that has
gradually been turned on its head by a more open global trading
environment (although that is not a view readily accepted within
the European Union).

More challenging
Much more challenging for the European Union is to have what
it perceives as the correct path for global governance debated
and accepted internally and then face rejection by the rest of the
globe. The obvious example is the Copenhagen Climate Summit.
If there was ever a case for Asia–Europe co-operation this was it.

Seeking a consensus amongst 190 countries was never going to
be easy; yet if the process, and most importantly the lead-up to the
process, had been handled differently, possibly the result might
have been different. Instead, the United States, an ostensible ally
of the European Union in seeking commitments to protect the
environment from new economic super-powers, ended up in the
same position as them. As Der Spiegel reported at the time, ‘It was
now clear that Obama and the Chinese were in fact in the same
boat, and that the Europeans were about to drown.’

In an article in Yale Global
Online, Professor Jean-Pierre
Lehmann notes the Copenhagen
Climate Change Conference
‘marked the end of a decade of
numerous global conferences
not with a bang but with a fairly
pathetic whimper’. He is damning
of the EU approach not just
because it had failed to adjust to
the global transformation of the
rise of a number of new emerging
growth of new leading sectors of the economy, as well as concerns
about energy security.

There are governance lessons in this because, although
‘leading by example’ has its merits, other parties are more likely
to be persuaded if they recognise genuinely shared concerns and
can see co-benefits in dealing with them in a particular way.
The essence of successful multilateralism is bringing coherent
proposals to the table which offer the possibility of benefits (albeit
with some costs) to a substantive number.

Having noted earlier the case of Germany’s quiet and then
more open power in Europe, it is interesting to look at Asia
and ask if there is a country that is, or ought to have been, the
equivalent of Germany before China began to make its mark
(or re-make it if we are being correct historically). It is perhaps
a bit unfortunate to link Japan with Germany because, of course,
they were wartime allies and overcoming the legacy of the war
was something of a preoccupation for each in the second half of
last century. But there are other commonalities between the two.
Both have overcome devastation to become leading economic
powers. Both have significant military forces; however they may
choose not to use them.

Important shortfall
But leadership by Japan on a global, or even a regional basis, has
seldom matched the potential or standing of the country itself.
Perhaps it is indeed a ‘status quo’ power, as Prime Minister Shin-
zo Abe forcefully asserts in the context of maritime security and
Japan’s relationship with the United States. In times of inherent
tension, that is not necessarily such a bad thing. As Paul Dibb of
the Australian National University comments when taking on the
shared national interests rather than shared identity. This has led to a pragmatic approach being adopted that does contrast perhaps with the civil law-driven ideal of an European Union that likes to tie everything down in a pre-determined set of parameters.

ASEM provides a forum for discussion and debate between a European entity where coups by military forces are unthinkable today and a grouping of Asian nations that includes the world’s largest democracy and largest Islamic nation. It is dangerous to generalise, but if the pragmatism of Asia could match a globally focused European Union, each willing to learn from and not lecture the other, ASEM has the potential to contribute to global governance in a manner that would strengthen and enhance the multilateral system.

NOTES

4. ‘Fallout from Copenhagen: Has the EU Lost Its Global Relevance?’, Yale Global Online, Jan 2010.
This collection of essays is reproduced from a 2010 conference held in Spain under global conditions of heightened vulnerability to economic, physical and terror-inspired risk. The publication is organised into three sections, its fourteen contributions appearing under Global Risks and Risk Society; Representation of Risks; or The Governance of Global Risks. Introducing papers now selectively considered, Daniel Innerarity asks how we evaluate risks, what actions should we recommend, and which precautions are feasible given our ignorance of some future events? He responds by seeing the choice as less between safe or risky alternatives but rather between alternatives that are always risky. Uncertainty has advantages by encouraging the flexibility needed to learn and innovate. A path between full risk aversion and panic-driven recklessness is possible, but it needs the state to act as a pivotal co-operating mechanism giving growing demands for a democratisation of risk management and regulatory imperatives stemming not from technological success but its failure.

Ulrich Beck’s contribution (‘Living in and Coping with a World Risk Society’) sees three main reactions to omnipresent risk: denial, apathy and transformation. What is omnipresent is incalculable and beyond compensation. Public discourse about risk flows not from decisions so much as their consequences and uneasy compromises struck between state demands for security and a mass media hungry for catastrophe. For Beck risk is now Janus-faced: as it may empower fresh initiatives and sources of legitimation, it can also cripple them through destabilised global markets and externalisation of risk by financial failures. Modifying that dilemma requires re-negotiation of the rules and assumptions demarcating policy and ethical spaces within national and international spheres of initiative and responsibility.

Edgar Grande believes global risks now require new forms of preventive governance extending beyond the functions and territorial limits of nation states. That requires ground clearing to distinguish new risks of greatly expanded potential damage from natural disasters; between ‘real’ and ‘expected’ disasters; and epistemologically between estimates of ‘calculable risks’ and ‘incalculable uncertainty’. Grande’s conception of preventive governance involves strengthened transnational institutions engaging, but distinct from existing nation states and international organisations. Depending on their domains, such systems will vary while remaining subject to the pressures of policy fragmentation now evident over climate change where trade, energy, and transportation demands jostle with environmental politics. Transnational orders will go on finding media coverage colouring perceptions of acceptable risk, their acquisition of democratic legitimacy a major challenge.

Michael Zurn’s contribution takes this theme further by assessing the impact of global risk upon national democracies. He notes the impact of an unprecedented density of international regulations, now embedded following a growth from 8776 treaties in 1960 to over 63,000 by 2010, many newly intrusive. As remarkable has been the growth of international dispute bodies. Much of this activity is politicised, creating for Zurn the paradox that deregulation by national governments under economic liberalisation has been followed by re-regulation through technical modes of executive multilateralism. By his estimates a good 30 per cent of all policy functions within environmental regimes are now delegated to these institutions. Accordingly, and tiring of the inanity of domestic politics delivering low electoral turnouts, national civic formations are migrating their public focus to transnational policy activity beyond borders.

Daniel Weinstock’s philosophical treatment of risk finds its current treatment too coarse grained. He believes unwanted events need unpacking to include logically distinct components of scope, severity, complexity, uncertainty, technology and irreversibility. They are distinct and may vary independently of one another. Risk perception has been heightened by knowledge and technology, an antidote to the fatalism that previously characterised the human experience. However the affluent are no longer insulated from ‘new risks’, generating among them anger and frustration over failed control that, in itself, has emerged as a potent source of risk. Fear that is real but undetermined lacks productive mobilising functions, most unproductive fear a function of apathy and self-deception. To re-learn fear so that it can motivate to some purpose will require cognitive and emotional forces connecting with greater empathy.

This is taken up by Elena Pulcini (‘Re-learning to Fear’), who views the Promethean project of modernity corrupted by lack of purpose and ungovernable uncertainty. Ambivalence of denial accepts some realities but chooses to discard their consequences. The sheer scale of some catastrophes, all out nuclear war for example, has anaesthetised fear by decoupling knowledge from feeling. Somehow Thomas Hobbes has been ignored with his view that humanity is civilised by its fear of death.

Other contributors offer penetrating and contestable insights. Christophe Bouton believes globalisation has compounded...
opportunity about the future, even though most disasters are now
man-made. For example financial products designed to reduce
risk helped precipitate the 2008 financial collapse. Looking
specifically to Europe, Zaki Laidi identifies the key indices
requiring measurement as the risks of job loss, biotechnology
failure, financial upheaval, climate change and war. For the
latter he finds marked contrasts with the United States, polling
indicating 71 per cent of Americans agreeing that, under some
conditions, war is necessary to obtain justice, but no more than
25 per cent of Europeans similarly inclined.

Apart from brief mention in Pulcini’s chapter, the collection
lacks an informed discussion about the abiding risk of nuclear
weapons employed in conflict. With a Canadian exception
(Daniel Weinstock), all fourteen contributors are Spanish,
French, Italian or German; developing country appraisals of
risks generated by internal violence, unsustainable population
pressures, or gross inequalities going unattended. Yet this book
is commendable for its blend of policy, philosophical and ethical
discussion of risk and its possible future management.

RODERIC ALLEY

THE CHARISMATIC LEADERSHIP
PHENOMENON IN RADICAL
AND MILITANT ISLAMISM

Author: Haroro J. Ingram
Published by: Ashgate, Farnham, Surrey, 2013, 262pp, £65.

What is (or was) the charismatic ability of a figure like Osama bin
Laden and perhaps other militants in the Islamic world? Given
the austere theocratic vision, promising constant struggle, articu-
lated by bin Laden, many will have wondered exactly what the
appeal is. In fact answering that question has prompted some-
thing of a debate by observers with explanations ranging from
humiliation of the Muslim world through to the rewards of par-
adise. To add to this, the specific appeal of an individual jihadist
can be hard to access for outsiders. Media commentators often tell
us that bin Laden had charismatic appeal, whereas his successor,
Ayman al-Zawahiri, supposedly does not. What is the judgment
that lies behind these assessments?

Ingram, therefore, offers an
intriguing premise in the title of
this volume. He traverses the well-
known literature of leadership
and even management concepts,
to establish the main elements
of charismatic authority. Ingram
distinguishes between three
types within this movement:
charismatic leaders (for example
bin Laden), neo-charismatic
(jihadist leader in Iraq, Zarqawi),
and the spiritual guide (like
the so-called Blind Sheikh).
We discover, however, that bin Laden as founder, organiser and source
of spiritual pronouncements might, in Ingram’s view, traverse
all three — a convenient way to circumvent the theory? Other
prominent figures considered
here are Jamal al-Din al-Afghani
(an early Islamist figure), Has-
an al-Banna (founder of the
Egyptian Muslim Brotherhood),
Sayyid Qutb (Brotherhood ideo-
logue who would influence mili-
tants worldwide), Abdullah Azz-
am (original founder of the net-
work bin Laden would inherit),
and Anwar al-Awlaki (Yemini
American cleric who would ap-
peal to radicalised individuals in
the English speaking medium as
ing editor of Inspire magazine). The
author does not say if all these
figures are regarded equally as
terrorists, although al-Awlaki per-
haps more squarely fits the bill.

In partial answer to one of the
questions posed above, Ingram
correctly notes that the main
means to judge charismatic appeal
is in the devoted reactions of
followers. Charismatic leadership
is a bond, or a relationship, and is
particularly notable in a time of
profound crisis.

While this volume gives a
good account of the key figures
listed above, much of what it
contains has been said before.
An attempt to divine charismatic
appeal might involve primarily
accessing what followers saw in
these leaders by accessing their
writings or even interviewing
them (where possible). There
is a small amount of this in the
section on Azzam, but the book
focuses on examining the works
-available in English) of what
these leaders said themselves,
such as the massive amount of
material generated by Awlaki.
Therefore the author is actually
inferring the appeal of these
leaders. As a result Ingram does
not quite take us down into the
alternative universe that militants
can travel. What exactly did bin
Laden find so important about
the works of Qutb or his tutelage
under Azzam, other than,
broadly speaking, a division of the
world into two hermetically
sealed blocs? There is room for
more here.

This book boldly claims at
the end that it is foundational

Abdullah Azzam

Sayyid Qutb

Hasan al-Banna

Jamal al-Din al-Afghani

Osama bin Laden

Ayman al-Zawahiri

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text for what it asks. And the idea of a study like this is to be commended. But there is a lot more to be posed. This book was published two years after the deaths of both bin Laden and Awlaki, and sticks to the overly theoretical script of what appears to be a recycled dissertation. It does raise the question of what comes next. This book fails to assess the new headship of al-Qaeda, in Zawahiri, and Yemeni figure (and deputy) Nasir al-Wuhaysi. Wuhaysi, despite having been prominent for some time now, including as leader of the movement that Awlaki was affiliated to, is not referenced here, nor are other affiliate group leaders in other locations. Events in Iraq also show a new focal point for this movement under al-Qaeda in Iraq and the Levant, whose leader, Abu Bakr al-Baghdadi, emerged as essentially a rival figure to Zawahiri some time ago. Some commentators now see the al-Qaeda movement as having been split between competing leaderships.

Ingram’s study of charismatic leadership leads to the book’s conclusion that the deaths of bin Laden and Awlaki are highly problematic in that they establish martyrs for the extremist cause. This is an important perspective to consider. But it raises yet another set of questions that are not tackled here about the best ways to confront and diffuse charismatic militant leaders. What should policy-makers be doing as a response? As Sunni extremism enjoys a resurgence on multiple fronts, that is the challenge before the international community.

ANTHONY SMITH

RULING, RESOURCES AND RELIGION IN CHINA: Managing the Multiethnic State in the 21st Century

Author: Elizabeth Van Wie Davis

China is all the rage among international relations and analysts at present, now more than ever. As an economic and rising military juggernaut that has repositioned the geo-political centre of world politics towards the Indo-Pacific, every aspect of China’s politics — domestic and international — is under the microscope. In particular, the rise of ethnic identity united with religious differences can be driven by the presence of valuable resources to create a nationalism underpinned by economic factors. This is true throughout the Indo-Pacific region. It is also true in China. Whilst many predict that the authoritarian regime will inevitably crumble to such internal frictions, some seek to answer whether this might actually occur. To this discussion Elizabeth Van Wie Davis makes a superb contribution.

Van Wie Davis structures the book in a logical fashion, beginning with a brief introduction that clearly states the two major challenges for the governance of China: namely resources and religion. Using the backdrop of the post-Cold War global dynamics, she asserts that religion and ethnic movements in particular are becoming more fused, which can in turn motivate people beyond the role of the nation state. Resources lead to economic power, a dominant source of power. All together ‘it is in this environment that China rules’. Tibetans and the Uyghurs constitute the two case studies for this book. The introduction also prefaces the wider regional implications of energy and extraction and rising religious movements in Central Asia, which adds to the breadth that this book covers. The reader quickly realises this is an issue not unique to China.

The main text of the book can be split into three parts, which makes for a clear style and easy understanding even for a reader with little background on the subject. The first two chapters focus on governance and leadership in China, explicating how China has managed ethnic violence and unrest. Economic incentives are one tool for dealing with this, but are not a catchall. The generations of leaders since Mao Zedong show how we have arrived to the current ‘fifth generation’ where China needs to drastically globalise its energy sourcing. Xinjiang — the province where ethnic Uyghurs and a majority adhering to Islam live — sits astride this. This crystallises the current challenges China faces in sourcing energy, but dealing with the religious and ethnic groups that are affected by such needs, dealt with in the next section of the book.

Chapters three, four and five lead on to analyse in depth the ethnic and religious challenges that loom over China’s current rule under the fifth generation of leadership. She begins by summarising the regional conflicts between central state authorities and localised ethnic minorities. Chapters four and five build on this summary by looking at the ‘Tibet Question’ and the ‘Uyghur Question’ respectively. With Tibet, the central Chinese government offers economic incentives while limiting and stereotyping Tibetan culture writ large. Similar economic tools have been aimed at the Uyghur minority, but the fear of Islamic extremism permeating the region further and radicalising other minorities remains one of Beijing’s chief concerns in Xinjiang. Not to mention the not-so-negligible amount of natural resources this province possesses and the multiple pipeline deals with neighbouring states that affect it. These cases are juxtaposed well and show the common threads prevalent in China’s dealing
with its own ethnic minorities.

The final two chapters summarise China’s policies in dealing with ethnic-religious issues on a domestic and international level. The author comes to an intellectual crescendo in the final chapter, asserting that China’s current tool kit for dealing with these intertwined issues of ethnicity, religion and resources needs adjustment. In many ways, China’s management of the two case studies is simple realpolitik in a neighbourhood that feeds its voracious appetite for energy and natural resources. Van Wie Davis concludes that these ethnic-religious challenges are enduring and require a long-term policy response from Beijing.

The book’s main contribution to the literature is to summarise and shed light on China’s central government policies towards ethnic minorities, particularly when resource extraction is at stake. It gives a different take on China’s tactics in dealing with regional minorities and encourages the reader to look at a different angle for why and how it deals with Tibetans and Uyghurs. The author is no apologist for Chinese government policy. But she crafts a clear narrative that helps the reader further understand a vexed issue that Beijing is often pressured on internationally and will remain a domestic challenge for the immediate future.

There are two minor drawbacks to this otherwise well written work. The author never defines religion, ethnicity and nationalism in a clear vein for the reader. The issue of religious extremism is rightly canvassed, but one never gets a clear sense of how it is conceived in the author’s mind — the reader’s understanding is taken as read. The book is also overly descriptive in the initial chapters, leaving the reader a little impatient to reach the analytical case studies of the text. Such criticisms are negligible though. Overall it is a valuable contribution to better understanding the rich ethnic and religious diversity of China and how that interacts with the resource and energy demands of a growing economic powerhouse. Van Wie Davis lays the groundwork for further investigation of these long-term, intertwined challenges.

Jack Georgieff

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**NZIIA PUBLICATIONS**

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For other publications go to www.vuw.ac.nz/nziia/Publications/list.html
As the usual prelude to the National Council meeting, the NZIIA’s Annual Dinner took place on 18 June. One hundred and twenty-five guests were present at this black tie affair at Government House to mark the NZIIA’s 80th anniversary. The host, Governor-General and NZIIA Patron Sir Jerry Mateparae, addressed the gathering on the international role of the governor-general. (The text of his address is to be found elsewhere in this issue.)

The National Council met in the Wellington Club the following morning. Sir Douglas Kidd, presiding, noted the passing of two people who had made important contributions to the NZIIA — Life Member Theo Roy and former NZIIA Director John Scott.

Both the president’s and the director’s reports were tabled in the 2014 annual report. Sir Douglas noted that more than 3000 people had attended 40 events during the year, keeping up momentum developed in recent years. He noted a number of high profile meetings.

Director Peter Kennedy referred to the development of the NZIIA’s new website and the establishment of a new more efficient Xero accounting system as two important achievements of 2013. He drew attention to the wide-ranging scope of the meetings hosted or co-hosted by the National Office during the year with security, economic and trade topics all receiving attention.

There were no changes in the officeholders as a result of the election of officers. The president, vice president and treasurer — Sir Douglas Kidd, Prof Rob Rabel and Athol Mann respectively — were all reelected by acclamation. Dr John Subritzky was elected chair of the Research Committee, and Dr Ian McGibbon confirmed as managing editor of the NZ International Review. The list of honorary vice presidents was re-elected with the addition of former MFAT chief executive Simon Murdoch. Tricia Wallbridge and Calvin Pleydell were elected as co-opted members of the Standing Committee.

The council formally elected Scott Thomson as a life member. Sir Jerry Mateparae had presented him with his certificate at the dinner the previous evening.

The council agreed to change the title of the director to executive director.

Athol Mann presented the accounts for 2013, which showed a small surplus. The budget was approved.

The National Council discussed measures to reduce the dissatisfaction felt by some members at having to take the NZ International Review as part of their subscription. It agreed to make available the option of taking the journal in digital form, which will save postage costs.

In reporting on the Review later in the meeting, Ian McGibbon explained that members received a discount on the magazine, which accounted for most of the deficit in its finances. He noted the contribution made by the National Office, Book Reviews Editor Anthony Smith and the magazine committee.

Delegates from seven of the NZIIA’s ten branches were present at the council. Auckland was well represented with branch Chair Gregory Thwaite, Ashok Sharma (deputy chair) and Noeline Buckland (events co-ordinator) in attendance. Gregory Thwaite reported that the branch was stable with satisfactory finances and that it had staged well-attended monthly meetings.

Christchurch branch’s chair, Dr Chris Jones, supported by Margaret Sweet (vice chair) and Sally Carlton (secretary), reported a busy year, with sixteen meetings. Branch numbers were stable and meeting attendances good.

Former branch chair and NZIIA Life Member Ken Aldred represented the Napier branch in the absence of current chair Dr Richard Grant. He noted that the branch had staged six meetings in 2013, following its usual practice of staging them in both Napier and Havelock North.

Nelson’s Hugo Judd reported a successful year for his branch, with ten meetings. Membership stood at 90, and meeting turnout averaged 80.

Report on the Timaru branch, Brian Foley noted that there had been problems in finding speakers. Only a disappointing two meetings had been possible. Branch membership remained stable.

Scott Thomson spoke on behalf of the Wairarapa branch, which had staged ten meetings during the year. There had been a shift in meeting venue, and the branch financial position remained problematical.

The Wellington branch had a very successful year, Chair Peter Nichol told the council. Eighteen meetings had attracted audiences ranging from 30 to 100. Membership was firm and the branch finances sound.

Written reports were tabled from the Palmerston North, Tauranga and Waikato branches.
Scott Thomson has had a lifetime of serving the community since he completed his BA degree at Otago University and Bachelor of Theology at Knox College. He has been a Presbyterian minister in five parishes: Oreti (Southland), Seatoun, Waimate, Timaru and Masterton. By the time of his appointment to Seatoun in 1970, the worldwide ecumenical movement, and particularly the material circulated from the World Council of Churches Assembly at Uppsala in 1968, had broadened his perspective on international affairs. When he was invited to join the Presbyterian International Relations Committee, the convener, Dr Graeme Ferguson, urged him also to ‘join the Institute of International Affairs so you know what you are talking about’.

As executive secretary of the Overseas Development Committee, Scott Thomson campaigned to raise the profile of overseas development assistance. Working with the late Dr Patricia Burris, he played a part in the 1975 wide spectrum conference, chaired by Sir Guy Powles. He was also a member of Volunteer Service Abroad’s education committee. After leaving Wellington in 1976, Scott relinquished his chair role with the Presbyterian International Relations Committee, the convener, Dr Graeme Ferguson, urged him also to ‘join the Institute of International Affairs so you know what you are talking about’.

As executive director of the Institute of International Affairs, he served the committee today as acting chair. Scott has contributed articles to the NZ International Review on a range of subjects and was an honorary NZIIA national vice president until his elevation to life membership. In 2002 the Vintage Car Club of New Zealand awarded him the John Goddard Trophy, citing his contribution to motoring history. More recently, he has been working towards a popular biography of ecumenical pioneer Reverend Dr Alan Brash.

Scott Thomson receives his life membership certificate from Sir Jerry Mateparae
80TH ANNIVERSARY DINNER

Clockwise from bottom left above: NZIIA President Sir Douglas Kidd with NZIR Managing Editor Dr Ian McGibbon; Governor-General Sir Jerry Mateparae and Lady Janine Mateparae; the dinner in progress; Susan Bailey and Honorary Vice President Andrew Wierzbicki; Treasurer Athol Mann, Life Member Brian Foley and Kathy Rabel; Demetra Kennedy, Freddie Walker-Murray, Executive Director Peter Kennedy and Barbara Marshall; Standing Committee members John Ballingall and Suse Reynolds with Sir Douglas Kidd; Executive Secretary Synonne Rajanayagam (photos: Nerina Bennett, Ian McGibbon)
Sir Jerry Mateparae reflects on his international role as governor-general.

It is a great pleasure for Janine and me to welcome you all this evening to mark the 80th anniversary of the New Zealand Institute of International Affairs. Eighty years is an important milestone. Over that time the NZIIA has been witness to a remarkable array of developments in international affairs. In 1934, when the NZIIA was founded there were 75 sovereign states. Today, using the benchmark of UN membership, there are 193.

On 30 January 1933, Adolf Hitler became the chancellor of Germany. Six years later, the Second World War erupted. And five years after that the largest sea and air assault in world history was launched across the English Channel to free occupied Europe.

Since then, there have been conflicts and wars all over the globe; and there have been numerous political, economic, technological and social upheavals, and seismic shifts. And, of course, New Zealand has had its share of shifts, action and excitement too. All of this has meant a full and interesting agenda for the NZIIA and its members.

I want to talk about a shift closer to home. It is not as momentous as some of the events that I have outlined. However, it is something that I have had some experience with. I will share some of my observations about the international strand of my role as the governor-general. This international strand has both a domestic element — welcoming and hosting heads of state and accepting the credentials of accredited ambassadors and high commissioners — and an overseas element. My comments will centre on engagements overseas. Dame Silvia Cartwright mentioned this when she addressed the NZIIA in 2006, on the eve of her departure from office. In her address, she gave her view of the value she thought a governor-general could make in representing New Zealand to the world. It was, she opined, ‘a fascinating part of the role’ and ‘a privilege to represent New Zealand in this way’. I, too, have found it very satisfying and a serious part of the job.

The extent to which a governor-general represents New Zealand overseas depends on the view of the incumbent prime minister. The prime minister and I do talk about where and how I might make a contribution. Accordingly, my overseas travel programme is conducted at the invitation of the prime minister, and the government of the day. It is shaped by officials from the Ministry of Foreign Affairs and Trade, in consultation with my official secretary, and endorsed by the minister of foreign affairs. That is not to say I do not have views, and on at least one occasion — my visit to Afghanistan — the prime minister gave due weight to my assessment of the desirability of such a trip.

Representing New Zealand abroad

Enduring value

Based on this outline and two and a half years in the role, what are my observations? First, a state visit by a governor-general can be a way of showing that New Zealand values international relationships beyond trade and economic benefits. Current and former diplomats know well the enduring value of a top-level exchange of views between people in a head of state role. They can be the catalyst on which to build objectives that give breadth and depth to bilateral relations. They are also an opportunity to further New Zealand values international relationships beyond trade and economic benefits. Current and former diplomats know well the enduring value of a top-level exchange of views between people in a head of state role. They can be the catalyst on which to build objectives that give breadth and depth to bilateral relations. They are also an opportunity to further New Zealand's standing in the world.
Zealand’s interests, to bolster policy initiatives, and to strengthen our international links.

Governors-general are afforded top-level access. While it may well take some explaining by MFAT officials in-country what a governor-general is, ‘de facto’ head of state seems to work. In a head-of-state role, a governor-general can also develop a personal connection with heads of state, heads of government and the most senior leaders of a country. In this way, a governor-general can complement the work of the prime minister, minister of foreign affairs, other ministers, officials and business and other groups. My May meeting with President Napolitano in Rome paved the way for conversations I had with him and others in Normandy.

And yet it is not just our lens that I peer through. For example, my state visit to Turkey furtheled an important dialogue with Turkey on how to spread our very positive bilateral relationship beyond the commemorations into other areas of mutual benefit for the future. There seems to be genuine appreciation of the engagement such a visit represents, at the time and later.

**Important reflection**

Second, I have been reminded how much New Zealand’s actions in the past are reflected in perceptions of what we stand for today. I have learned much about others’ perceptions of us and our reputation — our collective mana — in the international arena. Some of the most poignant visits that I have made have centred on the commemoration of wartime service. We are fast approaching the centenary of the beginning of the First World War, often regarded as a turning point in New Zealand’s sense of nationhood. New Zealand is working with Australia, the United Kingdom, Turkey, Belgium and France on commemorative activities that will take place over the next four years. Additionally, since 2009 we have been marking the 70th anniversaries of Second World War battles and events. For New Zealand that has provided opportunities for collaboration with governments in Europe, the Americas, the Middle East and the Pacific.

A governor-general’s presence at significant international commemorations highlights New Zealand’s longstanding contribution to peace and security. I have had personal experience of participating in peacekeeping operations, and I know well the extent to which New Zealand’s contributions in this area over decades have enhanced perceptions of us as a committed global citizen.

I am mindful that there are other events that have import for our standing too. During my visit to Ethiopia, President Mulatu Teshome modified his programme, in part, so that he could convey personally his gratitude for New Zealand’s stance at the League of Nations in 1937 condemning fascist-Italy’s invasion of his country, then known as Abyssinia. That positive regard augurs well for the new embassy in Addis Ababa. It is a city which has become a global diplomatic hub, and host of the African Union. Having an embassy there will do much to strengthen our diplomatic credentials in Africa.

In a similar vein, I received praise from Rwanda’s permanent representative to the United Nations for New Zealand’s and former Ambassador Colin Keating’s efforts to prevent the slaughter of one million people when we held a non-permanent seat, and the presidency, in the UN Security Council in 1994. In late June I attended the 20th anniversary commemoration service of that tragedy, in Auckland.

**Common questions**

Third, a governor-general’s visit usually generates interest in the host country. ‘Why are you visiting?’ and ‘What are you hoping to achieve?’ are two common questions. The local media is curious about the engagements of its political leaders. So, for example, there was a comprehensive article in the Ethiopian media about my visit there, and the opportunities for closer bilateral relations.

I am a keen promoter of New Zealand and New Zealanders. I see a visit as an opportunity to build awareness of the unique features of New Zealand and what we have to offer — our culture, our scenery; and agriculture and agri-business, renewable energy technologies, bio-medical technologies and much more.

When it comes to diplomacy, the perception of New Zealand is that it is pragmatic, bridge-building and focused on partnerships and solutions. International forums such as the United Nations have enabled New Zealand to promote key messages of fairness, inclusion, independence, collaboration, humility and integrity. Our reputation as a respected international global citizen has been particularly important during my time as governor-general, as New Zealand seeks international support for its candidacy for a non-permanent seat on the Security Council for 2015–16. Accordingly, over the last two and a half years I have raised the matter of our candidacy. I have pointed out to my interlocutors our credentials and case for the opportunity to serve in the council.

**No substitute**

Fourth, while the international media and assessment reports keep us up with what is going on in the world, there is no substitute for visiting a country and getting an assessment from a head of state who is ‘on the ground’. Heads of state have intimate knowledge of regional circumstances in their neighbourhood, and many have hands-on involvement. Accordingly, a governor-general’s visit it gives an opportunity to engage, to inform and be informed. In Turkey both President Gul and Prime Minister Erdogan briefed me on the situation in Syria. And in Ethiopia, President Mulatu and Prime Minister Hailemariam gave me their assessments on events in South Sudan, where the prime minister has taken a very hands-on role. And in Normandy, I learned much from my conversations and from watching the body language!

As digital communications overcome the tyranny of distance and shrink us into a global village, and as we all face issues around
diminishing resources, global warming and environmental degradation, the need for effective dialogue between nations becomes ever more pressing. While it is for others to evaluate how effective my travel programme has been, each of the visits I have made has been appropriate to the role of an apolitical, non-executive head of state. It is not a matter of the number of visits or their duration, but the quality of the interaction. In part it has been the purpose behind a visit that has made for its success, rather than merely 'turning up'.

**Top table**

A governor-general's visit places New Zealand and its agenda on the ‘top table’ for consideration in the same way as a prime ministerial visit does. They enable us — New Zealand Inc — to take forward initiatives to enhance bilateral relations; to get a matchless read-out on regional challenges and opportunities; and to explain New Zealand’s ambitions in the international arena.

During my meetings I have raised our aspirations regarding the Security Council and free trade agreements. I have also advocated for people-to-people initiatives; for better commercial opportunities; for greater security co-operation, including food security; and technology sharing. Conducting a programme of overseas visits also presents unforeseen opportunities. There has been an element of serendipity in the occasion of visits, which has put a prime minister or governor-general at an opportune place and time. I recall Prime Minister Helen Clark being at the United Nations in 2000 when New Zealand Defence Force helicopters evacuated UN personnel under siege in West Timor. I can cite my own experience at the D-Day commemorations with world leaders, in the wake of the crisis in Ukraine; and Prime Minister John Key’s visit to the United States and United Nations, as decisions were being taken on Iraq.

I also want to acknowledge the work of the New Zealand Institute of International Affairs in promoting similar objectives and for providing better understanding of the multiple interests and perspectives at play in international relations, especially as they relate to New Zealand. The diversity of its membership is an indicator of the continued appeal of its work. I have certainly valued opportunities to attend NZIIA meetings and my current role as your patron. Congratulations on reaching a significant milestone — 80 years — and all the very best for the future.

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With the passing of John Scott on 12 May, we have lost not only one of New Zealand’s most distinguished former diplomats but also a notable NZIIA personality. He did much to bolster New Zealand’s relations with important states in several key areas, not least East Asia, and its trade with the Middle East.

Although a Briton by birth — he began his life in Cambridge — John came to New Zealand as a two-year-old. He attended Christchurch Boys’ High School, before moving to Timaru Boys’ High School. In 1939 he enrolled at Victoria University College in Wellington, but war service interrupted his studies.

After enlisting in the army in 1940, John was transferred to the Royal New Zealand Navy late in 1941 and seconded to the Royal Navy. He served in the destroyer HMS Osnabrook, which took part in Russian convoy protection, before being commissioned. Returning to New Zealand in 1943, he took part briefly in the South Pacific campaign. Back in the United Kingdom, he ended the war as first lieutenant of a motor torpedo boat involved in minesweeping tasks in the English Channel.

In 1946, following his return to New Zealand and demobilisation, John married Marguerite Cachemaille Boxer, the daughter of Hastings doctor and former RSA president Ernest Boxer. They would have three daughters. Marguerite had herself been in the navy during the war — she was one of a select group of WRENs tasked with ultra-secret intelligence work at an isolated base near Blenheim. This involved radio finger printing, a method of tracking Japanese submarines by analysing intercepted radio transmissions. Proud of his wife’s service, John asked me later in life for help in ensuring that her memories of it were recorded for posterity.

Immediately after the war John had returned to Victoria University College to complete his law degree. After graduating in 1947, he was one of the impressive post-war group of graduates recruited by Alister McIntosh to staff the fledgling Department of External Affairs.

It was not long before John and Marguerite were serving overseas. They did stints in Canberra, New York and London. John then headed the department’s Economic Division before achieving ambassadorial rank in 1965, when he was posted to Japan with cross-accreditation to the Republic of Korea as well. In 1968 he became New Zealand’s permanent representative at United Nations in New York. In this capacity he played a key role in the negotiations leading to the establishment of diplomatic relations between New Zealand and China. It is his signature on the joint communiqué of 21 December 1972 that completed the process.

John returned to Wellington in 1973 to become a deputy secretary of foreign affairs. He spent six years in this position, during which he played a key role in expanding New Zealand’s trade links with several Middle Eastern countries. His final overseas posting was as ambassador to France, Spain and Portugal, the Holy See and the OECD from 1979 to 1982. In referring to John’s diplomatic career in his eulogy at his funeral, former MFAT CEO Neil Walter singled out John’s understanding of the tradecraft of diplomacy. ‘He had the critical ability to go into any situation — whether a cocktail party, negotiation or conference — quickly suss things out, assess where New Zealand’s interests were engaged and determine a way ahead. And because he had good judgment and a sure touch with people, he invariably got the best out of that situation for New Zealand.’ He was, as Neil Walter went on to explain, not only ‘a committed and versatile Kiwi’ but also one with ‘very shrewd political instincts’, as well as being an approachable and considerate boss with a ‘highly developed sense of teamwork’. He and Marguerite made a very effective team.

John became director of the NZIIA in 1984, succeeding his former External Affairs colleague Colin Aikman. With plenty of drive and energy, and a genial disposition — in his eulogy Neil Walter lauded ‘his good nature and his impish, and occasionally roguish, sense of humour’ — John proved a particularly effective and highly regarded manager of the NZIIA’s affairs. A highlight of his tenure was his leadership in 1987 of a four-person NZIIA team to China — the warm welcome extended owing much to John’s key role in establishing diplomatic ties. As one of those who went with him, incidentally, I well remember being thankful for John’s ability to cope with the numerous toasts at our dinners (thereby shielding us from the inevitable effects of the maotai we were being plied with).

John relinquished the position of director in 1990, and in 1991 was elected an honorary vice president from 1991, a position he held until his death. He continued to take part in standing committee meetings during the 1990s.

John and Marguerite lived for many years in Waikanae, where their bush-clad section always impressed visitors, before moving back to Wellington. Marguerite passed away in 2004. John’s death ten years later has deprived us of one of our few remaining links to the early days of New Zealand’s diplomacy.

Ian McGibbon
**AN INVITATION**

If you are interested in international affairs and you are not already a subscriber to the *New Zealand International Review*, consider the advantage of receiving this magazine on a regular basis. *New Zealand International Review* completed its thirty-eighth consecutive year of publication in 2013. It continues to be the only national magazine exclusively devoted to national issues as they affect New Zealand. Issued bimonthly it is circulated throughout New Zealand and internationally. The Review is non-partisan, independent of government and pressure groups and has lively articles from local and international authors, with special emphasis on New Zealand’s international relations. It contains:

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