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DRIVING
New Zealand’s Economic Relationship With Asia
The Importance Of Growing Connections, Capacity And Confidence

Abstract
How does New Zealand’s engagement across the Asia region affect New Zealand’s prosperity and security? New Zealand’s approach to developing economic, political and people-to-people connections across Asia has changed considerably over the last few decades. This article seeks to highlight some of those changes, including how the New Zealand public’s perceptions of Asia have changed over time and how this has shaped New Zealand foreign policy. The critical question is whether enough is being done – across public, private and community sectors – to help position New Zealand as a high-value partner in Asia for the long term.

Keywords Asia, ASEAN, APEC, Covid-19, multilateralism, New Zealand

Over the last four–five decades, New Zealand’s approach to developing economic, political and people-to-people connections across Asia has changed considerably. From the late 1980s, when New Zealand moved from being a largely Western-orientated economy to an Asian-integrated one, there has been a significant shift in New Zealand’s focus, but also its skill set. Today, seven of New Zealand’s top ten trading partners are in Asia, 15% of New Zealand’s population identifies as Asian, and one in six New Zealanders speaks an Asian language. Accompanying this growth has been a notable expansion of people-to-people ties and a deepening of New Zealanders’ Asia knowledge.

In recent years the New Zealand government has moved to elevate its key relationships in Asia into ‘comprehensive’ and ‘enhanced’ partnerships. At the same time, there has been a broadening out of bilateral objectives to include regular ministerial engagement, capacity building, and cooperation in areas such as climate change, research, science and film, as well as between Māori and indigenous populations throughout Asia.

While there is good progress being made, the outbreak of Covid-19 and the inability to travel have tested the durability of New Zealand’s relationships across Asia. As such, a more deliberate – but different – approach to managing both the opportunities and the challenges emanating from the region is required. This has also been true for New Zealand’s private sector and public, whose movements to Asia have been disrupted and who must now find new ways and means of keeping those connections vibrant.

Research conducted by the Asia New Zealand Foundation Te Whitanu Tūhono highlights just how important the various

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Driving New Zealand’s Economic Relationship with Asia: the importance of growing connections, capacity and confidence

strands of any relationship are, and the important role that perceptions and experience play in shaping public opinion on Asia. In an era of Covid-19, when face-to-face exchanges are not always possible, there is no question that ‘team New Zealand’ must dedicate itself to keeping its Asia relationships active and dynamic, in the same way it has contended with combating the virus itself.

New Zealanders are well positioned in this respect. For the first time in 25 years of surveying the New Zealand public, the Asia New Zealand Foundation found in 2019 that over half of that population (51%) rated themselves as having ‘at least a fair amount’ of knowledge about Asia, up from 36% in 2014. Asia was also recognised as playing an important part in New Zealand’s future. In the 2019 survey, Asia ranked second only to Australia in terms of its perceived importance (Asia New Zealand Foundation with Colmar Brunton, 2020, pp.19, 23, 26).

This article seeks to highlight the role of society and public opinion in New Zealand’s approach to building relationships with Asia. It examines New Zealanders’ knowledge of and attitudes towards Asia, and how these views contribute to building bilateral relationships. It also looks at how New Zealanders’ perceptions of the Asian region have changed over time.

The article draws heavily on the findings of what is now New Zealand’s longest-running study on New Zealand’s connections to and perceptions of Asia. The New Zealanders’ Perceptions of Asia and Asian Peoples survey has helped to track trends in New Zealanders’ opinions and knowledge about Asia since 1997. The findings show a clear link between building Asia-related knowledge and building confidence in Asia, and how that confidence often leads to a greater willingness to invest in doing more with the region. As their knowledge and confidence have grown, New Zealanders have tended to rate Asia as more important to their future. This article explores why that might be, and how New Zealand’s engagement across the Asia region affects New Zealand’s prosperity and security going forward.

New Zealand’s place in the region

In the 1990s, New Zealand was emerging from an era of Rogernomics, deregulation and privatisation of state-owned enterprises, and entering an age of accelerated globalisation, with emphasis on the movement of capital, goods and services across international borders. New Zealand realised that its future – and particularly its economic prosperity – would be shaped by Asia. Prime Minister Jim Bolger famously highlighted New Zealand’s proximity to and relationship and identification with the region when he said New Zealanders were, in many ways, more Asian than European (Rolls, 2007, p.206). At this time, policymakers and officials began to explore ‘much more seriously’ the importance of Asian cultures and economies for New Zealand. The Ministry of External Relations and Trade initiated a series of studies of trade patterns with Asian economies, and policymakers compiled a comprehensive study of trends and prospects for New Zealand’s relationship with the East Asia region (Bollard et al., 1989).

Important demographic shifts were also taking place in New Zealand, driven by an opening up of immigration, investment, education offerings and tourism. Perhaps the biggest domestic shift over this period was the growth in New Zealand’s population of Asian ethnicity. Changes to immigration legislation in 1987 saw the establishment of new skilled and investor categories, and, more significantly, the facilitation of immigration from beyond ‘traditional source countries’. New Zealand had started its journey towards becoming one of the most Asia-Pacific multicultural societies in the world (Cunliffe, 2007).

... 67% of New Zealanders agreed that it was important for New Zealand to develop political, economic and social ties with Asia

As academic Andrew Butcher has observed of this period, ‘New Zealand’s engagement with Asia economically and demographically was undergoing rapid and unprecedented change and New Zealanders’ needed to be prepared to face this new reality’ (Butcher, 2015). While those in business, government and Asian ethnic communities were aware of these developments and what they meant, this was not the case for all New Zealanders (Bollard et al., 1989).

‘Getting’ the importance of Asia

In terms of New Zealand’s geopolitical outlook, its instinct and history would suggest looking towards Australia, the United Kingdom or North America as kin, friends and partners. And indeed, the Asia New Zealand Foundation’s research has shown that New Zealanders have continued to place a high level of importance on their historic Anglosphere connections, with many believing extra effort should be put into developing these relationships for reasons of security and of like-mindedness – of having similar positions, values or cultures (Asia New Zealand Foundation with Colmar Brunton, 2020, pp.34, 38).

However, as its demography has evolved and as its geography would dictate, New Zealand has found itself increasingly tilting towards Asia. A few decades of rapid economic growth in Asia has helped spur New Zealand’s own economic development, offering remarkable market opportunities. For a small, export-led economy that is reliant on comparative advantage, these trade connections have been hard won. It is necessary for New Zealand to continue to invest in ensuring these links remain robust.

The foundation’s research shows that the New Zealand public has been supportive of such engagement, and also positive about the benefits to New Zealand from tourism, investment and the transfer of technology, as well as through immigration and the exchange of cultures and traditions. In the 2019 survey, around two-thirds of New Zealanders saw Asia’s economic growth, as well as the stability and security of Asia, as having positive effects for New Zealand (ibid., p.14).

A March 2020 poll, taken as Covid-19 was rapidly spreading across borders,
showed that as a result of an increasing sense of interconnectedness with Asia, New Zealanders continued to prioritise the region as an important partner. In November 2019, prior to the Covid-19 outbreak, 67% of New Zealanders agreed that it was important for New Zealand to develop political, economic and social ties with Asia. In March 2020 – mid-pandemic – this figure had risen to 79% (ibid., p.11; Draper, 2020a). Rather than shy away from Asia out of fear or negative association, New Zealanders considered Asia to be even more critical to their future.

**New Zealand’s evolving integration with Asia**

For most New Zealanders, Asia has often been equated with China (Asia New Zealand Foundation with Colmar Brunton, 2020, pp.24–5). This has largely been a result of the trade relationship, and also because China has been making international media headlines. For most countries, the growth of the Chinese economy has offered an unparalleled opportunity for trade and expansion. But there have also been risks in getting overly exposed to one market. China’s shutdown in the first quarter of 2020 showed how quickly economic fortunes can change for trading partners. Many New Zealand businesses have been looking to diversification strategies for their ongoing economic resilience, while the government has sought to ensure that the New Zealand–China relationship stays on an even keel (MacNamara, 2020). The challenge, however, is that governments do not trade with each other; companies do. In this regard, market forces rather than regulation will ultimately determine the number and scale of trade relationships.

Diversification has not meant that New Zealand leans away from Asia; in fact, the opposite is true. Already, seven out of ten of New Zealand’s largest trading partners are in Asia (Statistics New Zealand, 2019a) and almost all of New Zealand’s free trade agreements involve Asian economies (Ministry of Foreign Affairs and Trade, n.d.-a). This speaks to the immediate connectedness New Zealand has with the region, and the depth of its integration in terms of value and supply chains, trade and investment flows, and the movement of people. It also reflects the positive effort New Zealand has made over the years to be an ‘early mover’ and to lock in high-value trade and other relationships before it is locked out by others.

In short, partnerships across Asia – not just with China – will be critical for New Zealand’s Covid-19 recovery and future prosperity. While Canberra and Wellington have discussed the creation of a ‘trans-Tasman travel bubble’, and then a ‘trans-Tasman Pacific bubble’, it is also possible that Asian partners can offer safe and mutually beneficial connections. There have been several examples of good cooperation through the early stages of the pandemic, with New Zealand and Singapore working together to reduce tariffs on a range of essential products including medical supplies needed as part of the Covid-19 response (Parker, 2020). New Zealand’s participation in the United States-led Economic Prosperity Network (which includes India, Japan, South Korea, Vietnam and Australia) is another example of New Zealand’s cooperation with Asian partners (Ministry of Foreign Affairs and Trade, 2020).

**Building genuine equities in Asia’s regional bodies**

New Zealand’s long-term investments in the Association of Southeast Asian Nations (ASEAN) and APEC (Asia-Pacific Economic Cooperation) have paid dividends in terms of establishing trusted relationships and giving New Zealand genuine equities in the Asia region. In the case of ASEAN, relationships have been built up over decades of engagement, from development assistance to deepening people-to-people links and business connections. ASEAN members have been developing at different rates, and although some still look to New Zealand for assistance, countries such as Vietnam have become part of the world’s economic growth engine. Their rapid transition from being net receivers of capacity building to becoming net drivers of regional investment and integration means that New Zealand must also redefine what it can contribute to the region (To, 2018). Staying relevant and ahead of the curve in an increasingly competitive trade environment are critical to New Zealand’s future prosperity and security.

Maintaining trade and investment flows are a good start. As of July 2019, the ten countries that make up ASEAN represented New Zealand’s fourth-largest trading bloc, at 12% of New Zealand’s goods trade. New Zealand’s two-way trade with ASEAN has grown a remarkable 66% since 2010 (Ministry of Foreign Affairs and Trade, n.d.-b). And as with all high-value relationships, this growth has been supported by a deepening of people-to-people connections across virtually every sector, including artist residencies, academic exchanges, media programmes and sporting tournaments (McMillan, 2016).

New Zealand’s long-standing relationship with ASEAN also supports its regional objectives (Makhlouf, 2016). New Zealand has viewed ASEAN and ASEAN-led organisations as being at the centre of a rules-based order and an important partner for engaging with other regional actors. To put it another way, New Zealand has heavily invested in ASEAN centrality because a strong, prosperous, stable ASEAN is in New Zealand’s interests too (Rolls, 2017).

The New Zealand government’s ‘NZ Inc ASEAN’ strategy has sought to lay out a plan that will help New Zealand become better connected and more influential in ASEAN countries, and become better integrated with the ASEAN community. This strategy is supported by other agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and upgrading the ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA). AANZFTA has been a high-quality and ambitious partnership for enhancing trilateral trade, but also for confronting some of the complex economic and development challenges facing the region in the coming 10–20 years.
New Zealand stepping up in the region

Dealing with Covid-19 has added another layer of complexity to the Asia-Pacific region. Global existential issues such as climate change, management of migratory fish stocks and water competition – both on land and at sea – continue to have significant implications for the world’s economic, social and security outlook. These predicaments require collective action from governments all around the world if solutions are to be realised.

Historical records show that in global crises, the tendency has been for nations to recognise that coordinated international action is needed, and – more often than not – to turn to the United States to lead that response. Under the Trump administration, however, that regional leadership has been absent. The US retrenchment in Asia has been compounded by a growing lack of confidence in multilateral organisations, and a reversion to nationalist (or at best quasi-regional) strategies to deal with the Covid-19 pandemic and its impacts.

While the global response to Covid-19 has shone a light on the potential for cross-border cooperation, it has also prompted some to question whether globalisation has gone too far. Even finding a vaccine has led to political and security competition, especially in the case of Sino-American relations, where politicisation of the issues, looking for scapegoats and the spread of misinformation have fostered a greater sense of vulnerability and isolation. The situation has also ignited fears of a hastened economic ‘decoupling’ (Bisley, 2020) and claims of an ‘end of history’ (Haass, 2020).

Even without Covid-19 the world was experiencing seismic geo-strategic shifts: challenges to the global trading system (Young, 2018) and to the World Trade Organization (Epps, 2019); the waning of the Bretton Woods model and the emergence of bilateral ‘made-to-order’ deals; the use of sanctions and growing protectionism to protect domestic economies. The US, leading this particular charge, argued that it had been wearing the costs of the system it was supporting, but not the benefits. Rather than continue to trade with countries like China, which it saw as taking advantage of the system while simultaneously undermining it, Washington declared China a peer competitor and decided to fight fire with fire. Needless to say, Washington’s increasingly unilateral approach to trade policy, multilateral organisations and regional agreements has resulted in some collateral damage for others in the region – particularly smaller countries like New Zealand, which have relied on agreements and multilateral mechanisms to get their voice heard.

New Zealand will be navigating a much more complex environment not only because of these geopolitical tensions, but also as other governments and regional groupings come under pressure to reassess their own leanings in the face of economic recession and border closures. New Zealand, like everyone else, will be faced with some critical domestic challenges as well. What are some of the foreign and trade policy areas and initiatives New Zealand should be looking at during these times of uncertainty and disruption?

Rather than follow the lead of the United States and China, New Zealand’s approach has been to double down on its commitment to the rules-based order. New Zealand does not want to see the gains made in the Asia-Pacific over the years to be unhinged by single, large players. For small countries like New Zealand, investing early in regional organisations, plurilateral architecture and rule-making processes has been paramount in dealing with larger foreign and trade policy challenges. These structures and systems have served New Zealand interests profoundly well by ‘levelling the playing field’ for countries of all sizes and strengths and offering a fair and predictable trading environment.

And just as New Zealand has benefited from being part of the architecture, others have benefited from its participation too (Makhlouf, 2017). New Zealand, together with other small and medium-sized states, has a role to play in the region by working collectively to protect common interests, particularly when protecting such interests cannot be done through unilateral political, military and economic strength alone. New Zealand has been a respected advocate for more effective rules to ensure that good standards are achieved for all, promoting aspects such as governance, transparency, responsible business conduct, environmental protection and anti-corruption measures.

Looking ahead, the region’s economic fortunes will not revolve around tariffs and duties, but around the evolution of new trade architecture and the rules that govern those structures. In times of uncertainty, there has always been a role for small, credible powers like New Zealand to join with like-minded others and raise a moderate voice – a voice that does not place a high premium on size to realise domestic interests; a voice that reminds countries to stay calm, to be guided by balanced expertise, and to resolve disputes in a way that unites rather than divides interests (To, forthcoming).

The challenge ahead is to develop commonality of intent between politicians, bureaucracy and the public to work together in support of a stable, prosperous region. New Zealand hosting APEC in 2021 (albeit virtually) and the APEC Business Advisory Council are examples of how New Zealand can work to help inform and shape the wider conversation around the benefits of globalisation and international partnerships that reinforce rather than undermine its values and shared principles.

Key economic policy challenges in a post-Covid-19 environment

It is more important than ever for New Zealand to learn from Asia – whether it is in the design of smart cities, utilisation of technology to enhance well-being, or adoption of frugal innovations that can help use scare resources more efficiently. Asian countries have been driving
developments in these areas as part of their Covid-19 recoveries, but there is also opportunity to partner and work together on shared solutions (Pham, 2019; Charoenphnan, 2017).

An Asia New Zealand Foundation survey of businesses across the region in April 2020 identified plenty of challenges, ranging from cashflow and supply chains, to the health and safety of employees. While the mood was generally pessimistic, there were also some green shoots of optimism, particularly around the ability to innovate and to identify new market opportunities. Industries seen as likely to be the slowest to recover were tourism (86%) and hospitality (56%). On the upside, respondents felt that manufacturing for domestic markets, financial services and agriculture would recover the fastest. Manufacturing for export, however, was predicted to be one of the slower industries to bounce back (Draper, 2020b).

Most significantly, respondents felt that some technological changes that had been adopted would become permanent, including remote working and a shift to increasingly online interaction. This highlights the increasing importance of digital trade and the gig economy in a post-Covid-19 era. As more people look to flexible working arrangements and new income channels – domestically and externally – governments need to put in place significant structural development and cross-border agreements so that risk to business and the potential for exploitation of workers and their rights are mitigated, including in areas such as facilitation of payments, training and support, taxation, and privacy, security and authenticity in online systems (Thompson, 2019; Chen, 2020). Economies across Asia are experiencing these same challenges and New Zealand needs to look to the region for insights into policy reform and development, as well as positioning itself through initiatives such as the Digital Economy Partnership Agreement (DEPA) in order to be at the forefront of helping shape relevant architecture and processes (Ministry of Foreign Affairs and Trade, n.d.-c).

And in the face of a global downturn, when many other countries will be working hard to attract capital and investment to keep their own economies moving, investment from Asia might be the difference between staying in business or not. Currently, investment from Asia accounts for a relatively small share of all foreign investment in New Zealand: a 2017 foundation study showed that Australia, the United Kingdom and the US were New Zealand’s largest sources of foreign investment, representing 58%; Asian investment was less than 10% of the total (Hamilton-Hart, Fiedler and Fath, 2017). Investment from Asia has generally been well received in New Zealand. In 2019, 58% of New Zealanders agreed that Asian investment in New Zealand businesses was a good thing (Asia New Zealand Foundation Te Whaitu Tūhono and Colmar Brunton, 2020, p.18). And in a post-Covid-19 era, businesses will be evolving their risk management strategies, including seeking to strengthen connections with partners across the region. New Zealand will be operating in a highly competitive market where relationships flourish and investment continues only when the right levels of effort and resourcing are applied.

Building Asia capacity

If efforts to develop New Zealand into a broader knowledge economy are to succeed, then knowledge of Asia is a key part of that equation. As the world’s economic engine continues to gravitate towards Asia, how does New Zealand deepen its integration into this dynamic region? One key to better economic relationships with Asia is through building knowledge and capacity. This encompasses an understanding of what makes Asia tick, what drives the countries and peoples of Asia, what motivates them, what interests them and what worries them.

Asia capacity is also about expertise. It is about knowing the region and developing products and services that are fit for purpose and future-focused. It is also about making connections that will lead to new innovations and advancements. The good news is that the trend lines have been positive. The amount of knowledge that New Zealanders say they have about Asia has grown 18 percentage points over six years, from 36% in 2014 to 51% in 2019 (ibid., pp.23, 26). A key trend observed by the foundation is that the more New Zealanders learn about Asia, the more they want to know. With greater knowledge, the more inclined New Zealanders have been to rate Asia as important to New Zealand’s future. To put this another way, having the confidence to engage is key.

But there remain some obstacles to a wider acceptance of building Asia capacity. As well as building confidence, growing a sense of ‘Asia readiness’ among school leavers remains a challenge. While 69% of students in 2016 viewed Asia as important to New Zealand’s future, 37% did not see the need to build Asia-related skills and knowledge; moreover, since 2012 fewer students have been studying Asian languages (Colmar Brunton for the Asia New Zealand Foundation, 2017, pp.5-6, 28). If New Zealanders are not equipped for making the most of the opportunities across the region, they may miss out.

Languages are a pathway for New Zealanders to connect more with Asia. Currently, one in six New Zealanders can speak an Asian language (Asia New Zealand Foundation with Colmar Brunton, 2020, p.55) and these New Zealanders display a correspondingly high level of Asia knowledge (Asia New Zealand Foundation with Colmar Brunton, 2019, p.19). The majority of speakers come from families of Asian ethnicity, but although these language skills remain strong in adults, surveys undertaken by the foundation show that for young children growing up in New Zealand these languages are less frequently used and slowly erode over time, especially as they enter the New Zealand school system. Yet these multilingual students are real assets to New Zealand’s
future workforce. How can Asian skill sets and competencies be given more appreciation and value in New Zealand’s education system, workforce, and society as a whole?

To ensure that New Zealand is geared to make the most from its Asia relationships, New Zealand’s public and private sectors need to be thinking holistically about how they can support and increase their Asia capability. For some years now, the Asia New Zealand Foundation has been advocating for a more deliberate and sustainable approach to language learning in schools. What is required is a national languages policy. Its survey has shown that 78% of New Zealanders believe that children would benefit from learning a second language at school (ibid., p.30). But the reality is that New Zealand has generally left the responsibility of investing in upskilling New Zealanders in Asian languages to foreign governments and institutions.

**Partnerships, not just transactions**

People matter in Asia. This was made clear in a March 2020 poll, when the foundation asked New Zealanders what they thought of when they heard the word Asia. Despite the pandemic, fewer than 1% of New Zealanders responded with the word ‘coronavirus’. For most, Asia was about ‘people’, ‘culture’ and ‘food’ (Asia New Zealand Foundation with Colmar Brunton, 2020, p.25; Draper, 2020a). These softer, people-to-people connections are the backbone of any bilateral relationship, and play a role in building capability, confidence and a constituency to carry new ideas forward. Flows of people and ideas have the potential to lift the skills of a country’s workforce, raise its productivity, grow confidence and familiarity, improve its cultural literacy, and open up deeper links to overseas markets.

This has been particularly evident in the importance and value of tikanga Māori as an essential part of New Zealand’s character. Māori have long taken a relationships-based approach to building connections in Asia and there is much to be taken from this (Draper, 2019). Built on similar values – including respect towards elders, kai tahi (eating together) and mahi tahi (working together), manaakitanga (hospitality) and mentorship – a key aspect of Māori success in Asia has been the importance of operating with a strong sense of cultural pride, cultural integrity and mana, fostering mutual respect (Ihi Research for the Asia New Zealand Foundation, 2019).

In both Asian and Māori cultures, establishing a relationship always happens before undertaking any transactions. In New Zealand’s dominant Anglophone contractual mode of operation, it has often been the transaction first and the relationship second. If Asian partners have adjusted to other ways of working as they have integrated with the West, how have New Zealand businesses adjusted as they have developed their trade relationships across the region?

**New connections**

Since 2006, the Asia New Zealand Foundation’s Leadership Network has been nurturing a 400-strong cohort of Asia-savvy young leaders from all parts of society, both onshore and offshore. These young people understand the importance of Asia for New Zealand’s future, and help to amplify that message among their peers, in their workplaces and communities (Peters, 2006). They are a real-life example of how Asia-capable skills and cultural awareness can open doors in Asia.

Similarly, New Zealand’s Young Business Leaders Initiative has been helping to support young entrepreneurs in New Zealand and across Asia who are involved in cutting edge industries, sustainable development initiatives and social entrepreneurship. These young entrepreneurs have shown how, in dealing with the challenges of Covid-19 disruption, the role of social entrepreneurship has become an increasingly important part of any business model (Draper, 2017; Asia New Zealand Foundation, 2019).

Ultimately, New Zealand’s connectedness to Asia has been demonstrated by its demography. People who identify as being of one or more Asian ethnicities make up 15% of New Zealand’s total population; together they represent the third-largest and fastest-growing ethnic population in New Zealand, at 707,598 people (Statistics New Zealand, n.d.; Asia Media Centre, 2020). Over one in five people who identify with at least one Asian ethnic group were born in New Zealand (Statistics New Zealand, 2019b). A 2017 study found that 18% of all children under five years of age were of an Asian ethnicity, with 89% of these children being New Zealand-born (Ho, Cheung and Didham, 2017, p.6).

Nearly a third of Auckland’s population identifies with an Asian ethnicity; and Auckland contributes 40% of New Zealand’s GDP. Those two statistics demonstrate that Asian businesses make an important contribution to New Zealand’s national economy. As such, Auckland’s growing ethnic Chinese and Indian business communities are uniquely placed to help New Zealand rebuild its Asia markets. From the first-generation migrants who make up a large part of New Zealand’s franchise operations, hospitality and service sectors, to the second and third generation of professionals, these communities have valuable Asia know-how that could help others lift their game in China and India (Asia New Zealand Foundation, 2020).

**Asia perceptions**

There is still plenty of work to do in terms of New Zealand’s multicultural engagement with its Asian communities. While 43% of New Zealanders in 2018 said they had a connection with Asian people or culture, more than half of all adults (55%) – particularly those living outside urban areas – said they did not (Asia New Zealand Foundation with Colmar Brunton, 2019, p.20). Yet these people are often producing the primary products that are exported to Asia, and their children are just as likely as...
any others to travel and work in fields where being Asia-savvy is a critical advantage.

But New Zealanders recognise Asian cultural competence as being a valuable skill set for New Zealand’s future workforce. In the 2018 Perceptions of Asia survey, 92% of New Zealanders said it was important to have confidence engaging with people from Asian cultures; 88% said it was important to understand Asian protocols and etiquettes; and 84% said it was important to understand Asian societies (ibid., p.29).

Survey results also showed how trade and personal experience (for example, New Zealand signing a free trade agreement with China, or undertaking English language teaching in Japan) have transformed New Zealanders’ views and understanding of Asia. When asked which parts of Asia they knew best, North Asia consistently rated highest, followed by South East Asia and, lastly, South Asia. This leaning towards North Asia has meant New Zealanders have tended to rate North Asia as more important to New Zealand’s future, with 74% saying it was the most important region in Asia, followed by 41% for South East Asia and 36% for South Asia (Asia New Zealand Foundation and Colmar Brunton, 2020, p.20). Yet South Asia, which includes the second-most populous country in the world and the world’s largest democracy – India – will be playing an increasingly significant role in future international affairs. Overcoming these blind spots and biases is important if New Zealand is to maximise its chances at diversification.

It is also true that more work is needed to ensure that Asia understands New Zealand and its value proposition as well. One cannot assume that New Zealand is known and understood across the rest of the world. Effective soft power, active diplomacy, an engaged business sector, and a New Zealand public that is positively disposed to learn and understand its region are critical ingredients in progressing New Zealand’s economic relationship with Asia.

Conclusion

Since the first policy recommendations urging greater engagement with Asia in 1989, how have New Zealand’s relationships with Asia changed over the last few decades? The first point to note is that there has been a clear and consistent positive shift of mindset regarding Asia’s importance to New Zealand’s future, among both policymakers and the public, the result of increasing levels of knowledge, contact and engagement over that period. Trade potential is certainly a key driver for change, but successful trade relationships need to be bolstered by people – the human connections and experiences that give any relationship depth and warmth.

There are both external and internal factors driving the growth of New Zealand’s Asia relationships. Externally, the growing pull of Asia and the opportunities across the region are obvious from a trade, geopolitical and cultural perspective. Within New Zealand, an export-orientated economy, coupled with demographic links and social connections made through travel, food, the arts, sports and other areas are all pushing and enabling New Zealanders to connect even more.

New Zealand’s partnerships in Asia do not just provide for its prosperity as a nation. They are also tied to its security. These partnerships help shape robust regional architecture and deliver agreements that protect New Zealand’s people, sovereignty and environment. And such objectives cannot succeed without public support. There is still much work to do in building a stronger consensus among stakeholders, businesses and the broader community about the growing importance of Asia for New Zealand’s economic well-being. For the government, the critical policy question is whether enough is being done in a concerted and focused effort to build the pathways that connect New Zealanders to the many countries throughout Asia. These are the connections that will increase the knowledge, confidence and investment that help position New Zealand as a high-value partner in Asia for the long term.

In an age of Covid-19, such connectivity has never been so important. The uncertainty and challenges facing global and regional economic recovery amidst rising geopolitical tensions will be having an impact on New Zealand’s economy and society for years to come. Now more than ever is the time for New Zealand to realise its shared future with Asia: we are all in this together.

References

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digital-economy-partnership-agreement


