



A REPORT OF THE CSIS  
SOUTHEAST ASIA PROGRAM AND  
THE NEW ZEALAND INSTITUTE OF  
INTERNATIONAL AFFAIRS

# Pacific Partners

THE FUTURE OF U.S.-NEW ZEALAND RELATIONS

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## PREFACE

History tells us that there are moments when change becomes an obvious choice. Failure to take the initiative when the chance is offered can lead to a sense of regret and opportunity forgone. Early in 2010, in the context of a fast-changing and dynamic Asia-Pacific region, the Southeast Asia Program at the Center for Strategic and International Studies (CSIS) in Washington, D.C., took a preliminary look at the robustness of the relationship between the United States and New Zealand. We were mindful of clear signs emerging in both capitals of a new readiness to find ways of strengthening bilateral collaboration, especially in the rapidly evolving regional setting where the two countries recognize they have long-standing and substantial mutual interests. Very quickly in the exercise we were confronted with the question: “Is it not time for this relationship to move to a higher level of engagement?”

The answer seemed obvious to the team at CSIS. We consulted experts, thought leaders, and colleagues in the governments of both countries as well as on the United States–New Zealand and New Zealand–United States Councils. We found a clear consensus: “Now is the time.” Those we spoke to could see compelling reasons to apply rigorous, independent scrutiny to the range of existing ties between the two countries for the purpose of identifying where there was opportunity to advance a good relationship to the level of a close partnership. To accompany us along the path of this timely project we found a willing collaborator in the New Zealand Institute of International Affairs (NZIIA).

This study is the outcome of almost one year’s frank and free-flowing discussion and dialogue. These sessions took place between and within interested parties in both countries. No issue was deemed “off the table.” We were able to test our principal hypothesis with an extensive research-based review of the core components of the bilateral relationship. We took the time necessary to carefully consider the five primary pillars of mutual engagement: security and political cooperation; trade and investment ties; science and technology collaboration; people-to-people connections; and alignment on key transnational issues.

In examining the current scale and depth of the two-way ties and where they might be reinforced in each of those five fields, we posed a similar set of questions: What is the extent of current bilateral activity? Are there significant differences that need to be addressed? Is there potential for enhancing the relationship?

We had the benefit of guidance from high-level advisory groups, one in each country, which closely monitored our work. As the study gained momentum, our research teams in both countries drew upon a widening circle of authoritative opinion. It became clear the two governments had without doubt begun to see the logic in reinvigorating the relationship and how that might be achieved. Yet it seemed just as plain that policy formation and implementation had struggled to keep pace with the onset of current realities and their possible implications, not least in the regional context. This was not to deny that our research revealed a substantial body of valuable



practical work being done bilaterally, much of it below the radar and unheralded. We found this well-illustrated, for example, in active cooperation in diverse multilateral forums, in the broad field of science and technology innovation, and in the specific but important human security area of disaster relief.

To help ensure the credibility of the study, an essential element of our work plan was a proactive approach to bringing experts and officials together to consider and critique the findings of our researchers. We encouraged these external groups to contribute their views candidly, and they did so energetically. The launch ceremony for the study, held in Washington, D.C., on September 9, 2010, featured New Zealand's ambassador to the United States, the Right Honorable Michael Moore, and the key architect of United States policy in the Asia-Pacific region, U.S. Assistant Secretary of State Kurt M. Campbell.

Seminars to review progress, air views, and debate critical topics were held in Washington, D.C., on October 26, 2010, and in Wellington, New Zealand, on November 22, 2010. These two forums were used as occasions to enlist broader involvement in the study process and offer a sharper focus on the bilateral relationship. The robust dialogue they fostered helped demonstrate unarguably the accuracy of our initial assumption that the relationship was ready for fresh energy, commitment, and substance to be injected.

A welcome boost to the efforts of the two research teams was the Wellington Declaration tabled by the two governments on November 4, 2010, during Secretary of State Hillary Rodham Clinton's visit to New Zealand. The declaration was an important high-profile political signal, unmistakable in its intent, that the time had indeed come to reinvigorate the U.S.–New Zealand relationship and elevate it to the level of a special partnership in the Pacific. (The full text of the declaration is included among the appendixes to this volume.) It was deeply satisfying that our independent study drew the same conclusion, namely, that the United States and New Zealand are natural “Pacific Partners.” We reaffirmed on objective examination that the two countries share fundamental values and overwhelming common interests. Their views align on appropriate norms and modalities for ensuring the Asia-Pacific region can prosper in a positive and peaceful environment.

To that end, our study identifies the essential elements on which that new partnership can confidently be founded. It also presents a range of specific recommendations for policymakers and leaders in the private sector and civil society. The steps contemplated will represent truly meaningful and measurable actions that will help transform the bilateral relationship.

There is in summary a strong emphasis on

- working closely, on a more regular basis and at the senior political/official level, on sharing strategic evaluations and appropriate policy responses;
- jointly promoting and pursuing high-quality WTO and regional trade agreements, notably the Trans-Pacific Partnership;
- improving collaboration in fields of practical development and humanitarian assistance, especially those with a Pacific focus;
- enhancing the roles and raising the performance of regional institutions;
- encouraging private enterprise in each country to lift their levels of ambition in exploiting promising new fields of value-added commercial interaction;

- recognizing and reinforcing the scale and relevance of existing science and innovation collaboration in areas critical to the future well-being of both countries;
- acknowledging the unique contribution to the relationship of the educational and cultural linkages that support people-to-people contacts; and
- embracing closer collaboration in three areas of compelling regional and transnational concern: climate change, disaster relief, and nuclear safety.

The study will be unveiled at the fourth US-NZ Partnership Forum in Christchurch, New Zealand, in February 2011. In recent years the Forum has become the premier bilateral event for promotion of the US–New Zealand relationship. Our goal is for the study to be seen as providing a credible research-driven basis and intellectual point of departure for leaders from both countries to consider, debate, and initiate action.

It has been a great honor to work on this study with many talented colleagues from New Zealand and the United States. The energy, enthusiasm, and interest have been inspiring and confirmed the view that key stakeholders in both countries now have the opportunity and the incentive to make history by elevating this valuable relationship.

**Ernest Z. Bower**  
Washington, D.C.  
January 7, 2011



# EXECUTIVE SUMMARY

The United States and New Zealand are natural “Pacific Partners.” The two countries share fundamental values and overwhelming common interests. Their views align on appropriate norms and modalities for ensuring the Asia-Pacific region can prosper in a positive and peaceful environment. It is time for a good relationship to be elevated to the level of special partnership.

To that end, this report identifies the essential elements for that new partnership. It presents a range of particular recommendations for policymakers and leaders in the private sector and civil society. These steps represent meaningful and measurable action that can help transform the bilateral relationship.

This is a summary of the recommendations.

## Political and Security Cooperation

- 1. Initiate a bilateral strategic dialogue.** For ministers and senior officials with agenda items that include interests in regional institutions, explore bilateral cooperation on development and nontraditional security issues in the Asia Pacific.
- 2. Develop multilateral interactions.** The two governments should focus on the significant areas of common interest and develop multilateral interactions with key partners in the Asia-Pacific region to focus on key regional and global issues.
- 3. Enhance and expand military-to-military engagement.** Consistent with the Wellington Declaration, the two governments should develop opportunities for more military-to-military engagement.
- 4. Cooperate on nuclear nonproliferation.** On nuclear security and nonproliferation, the United States and New Zealand share significant common ground.
- 5. Enhance interaction between think tanks and experts.** While government-to-government interactions require greater structure and focus, they should also be supported by vibrant and energetic dialogues between U.S.- and New Zealand-based think tanks and academics (“track 2”) and an expansion of dialogues among think tanks and nongovernment experts that include current officials in off-the-record, private settings (“track 1.5”).
- 6. Consolidate the United States–New Zealand Council and the New Zealand–United States Council.** The two councils should explore the possibility of creating one well-funded transnational institution operating in the two countries under joint leadership.

## Trade and Investment Relations

1. **Conclude a high-quality Trans-Pacific Partnership (TPP) trade agreement as soon as possible.** The goal should be to make substantial progress toward delivering a world-class TPP agreement before the United States hosts the Asia-Pacific Economic Cooperation (APEC) forum in Hawaii in November 2011. Further, the United States and New Zealand should jointly commit to strong implementing rules that can be put into practice and enforced. Once a strong TPP agreement is reached, the United States and New Zealand should immediately set to work building on the TPP platform, adding willing countries with a view toward forming an APEC-wide Free Trade Area of the Asia Pacific (FTAAP).
2. **Create a joint United States–New Zealand Eminent Persons Group (EPG),** including the leaders of the United States–New Zealand and New Zealand–United States Councils, to further explore smart partnerships such as those identified in this report.
3. **Initiate congressional/parliamentary visits** aimed at deepening understanding of the opportunity to expand trade and leverage commercial and other relationships. These visits should also look at other aspects of the bilateral relationship and serve to expand and reinforce relations.
4. **Develop a series of economic dialogues with the Asia-Pacific countries** most likely to be interested in, and able to join, the TPP after the initial agreement is reached in order to share information, encourage them to join, and address the structural or political challenges that must be overcome to expand the TPP toward wider regional economic integration.
5. **Identify areas of common interest and jointly promote those positions** in key regional trade and investment forums such as the TPP, APEC, Closer Economic Partnership for East Asia (CEPEA), and the East Asia Summit (EAS) with a goal of leveraging efforts to promote regional trade and facilitate investment. For example, common positions on customs valuation and **harmonization of regulatory standards could be used to create coalitions** and encourage other parties to adopt mutually beneficial concepts.

## Science and Technology Cooperation

1. **Develop a joint working group on climate change,** within the context of the U.S. – New Zealand Joint Committee Meeting, focusing on science-based cooperation on climate change, including Antarctic exploration and development of renewable energy.
2. **Create a United States–New Zealand center of excellence for science and technology,** including a database of projects, matching proposals and sources of funding and highlighting best practices to encourage collaboration and engagement between public and private entities in both countries. Governments should provide initial support and encourage the participation of leading universities, research centers, companies, and individuals.
3. **Coordinate development assistance in the Pacific** to include a specific focus on science and technology development, especially in the Pacific and Southeast Asia. Include a focus on sustainable development, renewable energy, energy conservation, and environmental technology.

## Educational and Cultural Linkages

1. **Increase joint research opportunities** focused on new priority areas in the bilateral relationship, such as renewable energy, climate change, information technology, food security, and business.
2. **Develop new visa schemes to reduce barriers to people-to-people interaction**, including for business travelers. Good visa schemes to model after are the Working Holiday visas in New Zealand and Optical Practical Training in the United States.
3. **Increase aid and loans to students** and double the number of participants in the Fulbright Program by 2015.
4. **Establish educational partnerships** in the United States at the state level. New Zealand should consider speaking to state officials when seeking to establish university-to-university partnerships. U.S. congressional tours should also be made available to New Zealand government officials.
5. **Develop bilateral engagement on indigenous peoples issues** and on the role of Pacific Island populations in both countries, including language and cultural revival.
6. **Establish New Zealand studies and Australian studies research centers** in U.S. universities designed to offer reliable and accessible resources to students and researchers. Centers should seek funding from private sources and foundations, as the U.S. Congress typically provides funding to educational institutions that conduct area studies on non-English-speaking countries.
7. **Add a business work experience dimension to existing fellowships**. Fellowships can encourage young New Zealand and American students who are interested in the business and innovation sector to travel to the other country and gain practical experiences working in diverse industries.
8. **Increase fellowship opportunities in foreign policy, security, and other expert areas** among U.S. and New Zealand think tanks and institutions.

## Transnational Issues

### Nuclear Safety, Security, and Nonproliferation

1. **Focus security cooperation on mitigating the risk of nuclear terrorism.**
2. **Set an agenda for progressing disarmament and nonproliferation initiatives** in appropriate multilateral forums.
3. **Change the paradigm for cooperation** among U.S. and New Zealand authorities responsible for counterterrorism and nuclear non-proliferation.

## Meeting the Challenge of Climate Change

1. **Coordinate positions and provide leadership in multilateral organizations** to address climate change by acknowledging its severity and possible long-term consequences. As noted in chapter 3 of this report, science and technology can play a special role in international relations and transcend political differences.
2. **Leverage the Climate Change Partnership** (including governments, nongovernment organizations, research institutions, and the private sector) to build on the framework defined at the Copenhagen Summit and the December 2010 Cancun conference to drive more focused scientific collaboration and research on greater energy efficiency, renewable electricity sources, and new technology to reduce greenhouse gas emissions.
3. **Increase and coordinate development assistance for small island nations** to enhance their ability to mitigate, adapt to, and achieve a greater degree of resilience in the face of a changing climate. This would be facilitated by reestablishment of a United States Agency for International Development (USAID) presence in the South Pacific that would coordinate programs with the New Zealand government.
4. **Coordinate planning and invest in interoperability** to prepare for possible security-related implications of climate change.

## Humanitarian Assistance and Disaster Relief

1. **Coordinate response mechanisms and enhance interoperability** between NGOs, agencies, and military and civilian units in responding to disasters.
2. **Leverage regional architecture**—for example, ASEAN, ASEAN Region Forum (ARF), ASEAN Defense Ministers' Meeting Plus (ADMM+), East Asia Summit (EAS), and Asian Disaster Relief Center (ADRC)—that provides efficient and practical multilateral platforms to build confidence and establish greater interoperability between military-to-military and civilian-military disaster management units.
3. **Synchronize scientific collaboration and disaster risk planning** with traditional knowledge sharing, and encourage increased two-way flow and relationship-building opportunities among and within scientific communities and civil societies.



# KEY ACRONYMS AND ABBREVIATIONS

ABAC	APEC Business Advisory Council
ACORE	American Council on Renewable Energy
ADMM+	ASEAN Defense Ministers' Meeting-Plus
ADRC	Asian Disaster Reduction Center
ANZUS	Australia, New Zealand, United States Security Treaty
APEC	Asia-Pacific Economic Cooperation (forum)
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASTOP	Asian Senior Talks on Proliferation
CANZ	Center for Australia and New Zealand Studies
CCA	Cattle Council of Australia
CENTCOM	U.S. Central Command
CEPEA	Closer Economic Partnership for East Asia
CPAP	continuous positive airway pressure
CPT	Curricular Practical Training
CSCAP	Council for Security Cooperation in the Asia Pacific
CSIS	Center for Strategic and International Studies
DOE	U.S. Department of Energy
DR	disaster relief
EAS	East Asia Summit
EDIN	Energy Development in Island Nations
EECA	New Zealand Energy Efficiency and Conservation Authority
EERE	Energy Efficiency & Renewable Energy
EESI	Environmental and Energy Study Institute
EIA	U.S. Energy Information Administration
EPG	Eminent Persons Group
FEMA	U.S. Federal Emergency Management Agency

FFV	flexible-fuel vehicle
FNBA	Five Nations Beef Alliance
FTA	free trade agreement
FTAAP	Free Trade Area of the Asia Pacific
G8	Group of Eight
G20	Group of Twenty
GICNT	Global Initiative to Combat Nuclear Terrorism
HA	humanitarian assistance
HADR	humanitarian assistance and disaster relief
HFA	Hyogo Framework for Action
IAEA	International Atomic Energy Agency
ICT	Information and Communication Technology
IEA	International Energy Agency
IIE	Institute of International Education
IOC	International Olympic Committee
IPCC	Intergovernmental Panel on Climate Change
IPR	intellectual property rights
ISAF	International Security Assistance Force (NATO)
JCM	U.S.-NZ Joint Committee Meeting
KEA	Kiwi Expat Association
KORUS	Korea-U.S. Free Trade Agreement
LIC	New Zealand Livestock Improvement Corporation
MoRST	New Zealand Ministry of Research, Science and Technology
NATO	North Atlantic Treaty Organization
NCAA	National Collegiate Athletic Association
NCBA	National Cattlemen's Beef Association
NGO	nongovernmental organization
NMPF	National Milk Producers' Federation
NREL	National Renewable Energy Laboratory
NSF	National Science Foundation
NSF	Nuclear Security Fund
NTBs	non-tariff barriers
NZDF	New Zealand Defense Force



NZIER	New Zealand Institute of Economic Research
NZIIA	New Zealand Institute of International Affairs
NZRU	New Zealand Rugby Union
NZSAS	New Zealand Special Air Service
ODF	Operation Deep Freeze
ODS	Ozone Depletion Substances
OPT	Optical Practical Training
OSD	U.S. Office of the Secretary of Defense
PACOM	U.S. Pacific Command
PICT	Pacific Island Countries and Territories
PIF	Pacific Island Forum
PRT	Provincial Reconstruction Team
PSI	Proliferation Security Initiative
RNZAF	Royal New Zealand Air Force
SAS	Special Air Service
SCAR	Scientific Committee on Antarctic Research
SPS	sanitary and phytosanitary (measures)
STC	Science and Technology Cooperation (agreement)
TNLG	Tri-Nations Lamb Group
TPP	Trans-Pacific Partnership
UN	United Nations
UNISDR	United Nations International Strategy for Disaster Reduction
UNCCC	United Nations Conference on Climate Change
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
USAP	United States Antarctic Program
USA Rugby	United States of America Rugby Football Union
USDEC	U.S. Dairy Export Council
USNZEE	United States-New Zealand Educational Exchange
USTR	United States Trade Representative
WMD	weapons of mass destruction
WTO	World Trade Organization

# 1

## SHARED VALUES POLITICAL AND SECURITY COOPERATION

*“The American relationship with New Zealand is for us a very important relationship and it is at its strongest and most productive in 25 years. Now, why is that important? It’s because together, we can address issues in this region and beyond that have a very real impact on both of our peoples.”* — The Hon. Hillary Rodham Clinton, U.S. Secretary of State, November 4, 2010

*“Building up further our important relationship with the United States is a core focus of this Government’s foreign policy. We have an excellent relationship with the United States. We are old friends facing new opportunities. New Zealand sees itself as a small but important partner for the US and with our shared values we believe New Zealand can work with the US on efforts to enhance global peace and security.”* — Rt. Hon. John Key, Prime Minister of New Zealand, May 26, 2009

### Summary

This is an important time for strengthening the relationship between the United States and New Zealand. The two countries share many common interests and strategic objectives. The countries have a strong focus on a stable and secure Asia-Pacific region and on a robust international architecture that supports an open trade and investment system, a rules-based international legal framework, and sound principles of good governance.

For several years the United States and New Zealand have been building an increasingly active political and security partnership extending from joint involvement in Afghanistan to cooperation on nuclear security and collaboration in multilateral settings such as the Asia Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers’ Meeting-Plus (ADMM+), and the East Asia Summit (EAS). Closer cooperation will be an integral part of their respective approaches to security in a changing Asia-Pacific region.

The dominant theme underpinning the recent Wellington Declaration (November 4, 2010) was recognition by leaders in both countries that a single but serious area of policy difference cannot be allowed to impede cooperation in other important fields of mutual interest. (See appendix E for a copy of the declaration.) Cooperation in some areas that had been off-limits since the mid-1980s has resumed and has been reinforced in others. Some areas of security cooperation, such as around the two national Antarctic support programs, has continued without interruption. There is a new environment that includes political will and a new generation of security-related issues suggesting the time has come to significantly enhance cooperation between the two countries.

In its *Defence White Paper 2010*, New Zealand gave a specific endorsement of the United States' contribution to regional security in Asia and the Pacific.<sup>1</sup> In turn, New Zealand's objective is to engage as “an active and stalwart partner” of the United States.

The New Zealand Defence Forces, while relatively small, make a significant contribution to security, stabilization, and humanitarian relief from the South Pacific to Afghanistan. The United States welcomes this role and New Zealand has made clear that it will continue to modernize and resource its defense forces to sustain its contributions in these areas.

Thus, while differences on particular nuclear issues and specifically the question of port access remain, the area of separation is now considerably less stark. The vision articulated by President Obama in Prague in 2009 of “a world without nuclear weapons” is one shared by New Zealand. There is a new desire to find ways to work together, with both countries committed to a practical approach. This will include exploring new opportunities for joint training and staff exchanges.

This chapter outlines examples of the substantial political and security cooperation already taking place between New Zealand and the United States, and identifies areas where the two countries' interests converge. The chapter includes recommendations to further enhance political and security cooperation in order to advance common interests. These ideas are intended to help provide substance to the concept of “strategic partnership” enshrined in the Wellington Declaration.

## Summary of Recommendations

- 1. Initiate a bilateral strategic dialogue.** For ministers and senior officials with agenda items that include interests in regional institutions, exploring bilateral cooperation in development, and nontraditional security issues in the Asia Pacific.
- 2. Develop multilateral interactions.** Governments should focus on the significant areas of common interest and develop multilateral interactions with key partners in the Asia-Pacific region to focus on key regional and global issues.
- 3. Enhance and expand military-to-military engagement.** Consistent with the Wellington Declaration, the two governments should develop opportunities for more military-to-military engagement.
- 4. Cooperate on nuclear nonproliferation.** On nuclear security and nonproliferation, the United States and New Zealand share significant common ground.
- 5. Enhance interaction between think tanks and experts.** While government-to-government interactions require greater structure and focus, they should also be supported by vibrant and energetic dialogues between U.S.-based and New Zealand-based think tanks and academics (“track 2”) and an expansion of dialogues among think tanks and nongovernment experts that include current officials in off-the-record, private settings (“track 1.5”).
- 6. Consolidate the US-NZ and the NZ-US Councils.** The councils should explore the possibility of creating one well-funded transnational institution operating in the two countries under joint leadership.

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1. Ministry of Defence, *Defence White Paper 2010*, New Zealand Government, November 2010, available at <http://www.defence.govt.nz/>.

## Time for a Stronger Relationship

Bilateral political and security cooperation between New Zealand and the United States is the strongest it has been for more than two decades. On April 7, 2009, in Washington, D.C., U.S. Secretary of State Hillary Clinton described the United States–New Zealand relationship as “the best it has been in 25 years.”<sup>2</sup> This was a theme that dominated her public remarks in Wellington on November 4, 2010. In April 2010, New Zealand’s prime minister, John Key, had observed in a speech in Washington that the bilateral relationship “continues to go from strength to strength” and that “our like-minded approach makes me ambitious for the relationship between our two countries.”<sup>3</sup> US Assistant Secretary of State Kurt Campbell noted in September 2010 that “the United States and New Zealand see the world in such similar terms—in fact, in many respects, much closer than some countries that would be described as formal allies in the current environment.”<sup>4</sup>

There are several reasons for this significant shift in attitude. The thaw began in the late 1990s but over the last half-decade leading political figures and relevant agencies in both countries have resolved not to focus on the particular areas of difference that exist but rather to emphasize the many common interests and potential areas for cooperation. Importantly, this change has been bipartisan in both countries. It was evident from 2005 onward during the George W. Bush–Helen Clark administrations and has accelerated since Prime Minister Key and President Obama were elected in late 2008. The commitment of political leaders has been complemented by the energy and initiative of the highly successful United States–New Zealand Partnership Forum process since April 2006, as discussed in more detail below.

The notable increase in bilateral cooperation and in coming together in multilateral settings is also a joint response to changes in the global security environment. The two countries share a determination to resist threats to the global commons and the rules-based international order that both have helped create and sustain. As trade is an essential component in each of their economies, they have a mutual interest to support efforts to safeguard freedom of commerce and navigation. New Zealand recognizes that the United States is likely to remain the preeminent global military power well into the twenty-first century. The United States recognizes that New Zealand is a like-minded, substantively engaged, and important partner in the Asia-Pacific region.

In the aftermath of the September 11, 2001, attacks, the United States welcomed New Zealand’s involvement in Operation Enduring Freedom; the three services of the New Zealand Defence Force (NZDF) contributed effective personnel and assets, albeit in modest numbers. New Zealand made clear that its efforts in Afghanistan were aimed at protecting the safety of its citizens from future terrorist actions. United States–New Zealand security cooperation has also benefitted from the stationing of New Zealand Special Air Service (SAS) troops in Afghanistan, as well as from New Zealand’s contribution of headquarters personnel to the NATO International Security Assistance Force (ISAF) mission and to United States Central Command (CENTCOM) Headquarters in Tampa, Florida.<sup>5</sup> Special mention is due for the deployment of a NZDF Provincial Reconstruction

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2. Secretary of State Hillary Clinton, “Remarks with Foreign Minister Murray McCully,” Washington, DC, April 7, 2009, <http://www.state.gov/secretary/rm/2009a/04/121371.htm>.

3. Prime Minister John Key, “Speech Notes to US/NZ Council,” April 14, 2010, <http://www.beehive.govt.nz/speech/speech+notes+usnz+council> (official website of the New Zealand government).

4. Assistant Secretary of State for East Asia and the Pacific Kurt Campbell, remarks at the launch of the Pacific Partners study, CSIS, Washington, DC, September 7, 2010.

5. U.S. Central Command, “Coalition Countries,” <http://www.centcom.mil/en/countries/coalition/>.

Team (PRT) in Bamyan Province, Afghanistan, since 2003. New Zealand took over the Bamyan PRT responsibility from the United States to help free up U.S. resources to operate elsewhere in Afghanistan. These deployments were not a function of “alliance” commitments; rather, they reflected acceptance of shared values and interests.

## The United States–New Zealand Partnership Forum

The United States–New Zealand Partnership Forum is a key vehicle through which high-level links have been built and maintained between senior U.S. and New Zealand government, business, and community leaders. Organized by the U.S.-NZ Council and the NZ-U.S. Council, Partnership Forum events are held every 18 to 24 months alternately in Washington, D.C., and New Zealand. They are widely recognized as having contributed significantly to the improvement in relations between New Zealand and the United States that has occurred over the past five years. The Partnership Forum provides both a platform for both governments to commit to expand and deepen cooperation and a focus for ongoing relationship development.

The inaugural Partnership Forum was held in Washington, D.C., in April 2006. Further events were held in Auckland in September 2007 and in Washington, D.C., in October 2009. A fourth Partnership Forum will be held in Christchurch, New Zealand, in February 2011.

The Partnership Forum is supported at the highest level of both governments but is strictly nonpartisan and nongovernmental in nature. On each occasion, high-level delegations have participated from both sides. The U.S. delegation to the 2011 Forum is expected to include a congressional delegation led by senior members of the administration along with the cochairs of the Friends of New Zealand Congressional Caucus and to include senior officials, business representatives, and other influential thought-leaders.

The major focus of the 2006 Forum was the Asia-Pacific region and new opportunities for both countries arising from the region’s significant growth. Participants left the inaugural event with a greater awareness of their shared interests. In 2007, the first Forum held in New Zealand focused on business innovation and provided a unique opportunity to showcase New Zealand and its economic strengths and capabilities to an influential audience and the largest U.S. business delegation ever to have visited New Zealand. The 2009 Forum in Washington took place against a very different backdrop from those of its predecessors. The global economic crisis had markedly changed the face of the world economy and global prosperity. It brought into sharp focus both the opportunities and pitfalls of a globalized world. The 2009 Forum provided an opportunity to discuss the new global environment and to build links between the new governments that had been elected in both countries.

The 2011 Forum will once again focus the attention of thought-leaders from both countries on ways in which the two countries can work together. In a balanced, nonpartisan atmosphere, and under the theme of “The Power of Partnering: Global Challenges and the Role of the US-NZ Partnership,” the Forum will discuss a number of big ideas for addressing new and emerging challenges. As with earlier Forum events, the 2011 event will facilitate the deepening of personal ties among those attending the event and will serve to motivate an already influential group of advocates from each country with a common agenda to promote closer relations between New Zealanders and Americans.

## Multidimensional Cooperation

The United States and New Zealand recognize that threats to national security can come from diverse sources, both traditional and nontraditional. Although Afghanistan is the most high-profile current example of enhanced New Zealand–United States security ties, a broader variety of joint activity is now occurring among a wide range of government agencies.

For example, the two countries have joined in multilateral efforts to help stem the international spread of weapons of mass destruction, their delivery systems, and related materials. New Zealand is an active participant in the U.S.-driven Proliferation Security Initiative (PSI), and it hosted an international PSI exercise in Auckland in 2008. New Zealand is also a member of the Global Initiative to Combat Nuclear Terrorism (GICNT) and the Group of Eight (G8) Global Partnership to secure nuclear materials in the former Soviet Union, and it has provided funding to support the U.S.-led Nuclear Smuggling Outreach Initiative.<sup>6</sup>

In November 2009, U.S. and New Zealand officials held a bilateral meeting on nonproliferation issues, and in April 2010 Prime Minister John Key attended the first Nuclear Security Summit in Washington, D.C., at President Obama’s invitation. Assistant Secretary of State for East Asia and the Pacific Kurt Campbell said the summit was a “validation of the strong principles of nuclear security and nonproliferation that New Zealand has believed in and has made part of their national policy for decades.”<sup>7</sup>

In addition to this focus on traditional security threats, there has been growing attention to the need to work together to confront nontraditional security challenges. Law enforcement agencies from both countries have collaborated to address transnational crime issues in the South Pacific, including drug trafficking and people smuggling. There is a strong commitment to addressing cyber security issues, with New Zealand agencies participating in an exercise sponsored by the U.S. Department of Homeland Security in 2008.<sup>8</sup> As noted elsewhere in this study, the United States Navy and Coast Guard and NZDF personnel have regularly worked together in multilateral humanitarian activities; the NZDF has been part of the U.S.-led Pacific Partnership humanitarian mission since 2007.

United States Customs and Border Protection authorities and New Zealand Customs have developed significant patterns of cooperation; these have included an agreement on supply chain security. New Zealand and the United States share a common interest in developing standards around trade security and facilitation that are effective and enforceable. Cooperation under the broad rubric of “homeland security” is deepening, as evidenced by a new bilateral agreement signed in January 2010.<sup>9</sup> This accord enhances cooperation in science and technology research to improve both countries’ shared capabilities to protect against acts of terrorism and other threats to domestic and external security. The agreement also provides for sharing of innovative technologies in areas such as border and transport security, maritime surveillance, and civil defense and emergency management. An agreement signed on December 11, 2010, between New Zealand’s

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6. Prime Minister John Key, “Speech Notes to the US-NZ Council,” Washington, DC, April 14, 2010.

7. Assistant Secretary of State for East Asia and the Pacific Kurt Campbell, remarks.

8. Robert McMillan, “New Zealand’s Lessons Learned in Cyber Storm II,” *Computerworld*, April 11, 2008.

9. U.S. Department of Homeland Security, “The United States and New Zealand Sign New Agreement to Strengthen Security through Increased Cooperation on Science and Technology,” January 8, 2010, [http://www.dhs.gov/ynews/releases/pr\\_1262987857215.shtm](http://www.dhs.gov/ynews/releases/pr_1262987857215.shtm).



Ministry of Civil Defence and Emergency Management and the United States' Federal Emergency Management Agency (FEMA) complements similar agreements the two agencies have with Australia's Attorney-General's Department, thereby supporting trilateral cooperation on civil defense emergencies, including those in the South Pacific.<sup>10</sup>

Police cooperation is also on a positive trajectory. The New Zealand Police has a strong relationship with its U.S. counterparts at the federal, state, and local level, with cooperation helping to resolve a number of high-profile crimes in recent years. In the aftermath of 9/11 a new police liaison position was created in the New Zealand Embassy in Washington, D.C. A group of New Zealand police officers was deployed to train the Afghan National Police in 2005 and remain part of the Provincial Reconstruction Team there.<sup>11</sup>

Finally, renewed exchanges of sensitive information between the United States and New Zealand have been taking place in a number of areas. In an October 2009 press conference with New Zealand's foreign minister, Murray McCully, the U.S. secretary of state, Hillary Clinton, highlighted newly strengthened intelligence-sharing arrangements between the two countries.<sup>12</sup> The opportunity to further leverage and expand collaboration in this area is an important element of a deepening relationship.

## The Asia-Pacific Regional Dimension

The most important region where New Zealand's and the United States' interests interconnect is the Asia Pacific. The geopolitical and economic changes under way in the region, notably with China and India returning from the wings to center stage, are fundamental and far-reaching. Neither the United States nor New Zealand will be passive observers of the process. Both countries want to proactively engage and, in their various ways, help to shape the process and structures being formed. In the last 12 months, the United States has reasserted its commitment to remain engaged in the Asia-Pacific region and this has been welcomed by New Zealand.

The United States has also confirmed a renewed focus on the South Pacific through senior US participation in the Pacific Island Forum (PIF) Post-Forum Dialogue. The latter development too has been warmly welcomed by New Zealand, which through its long involvement in the region and special relationship with some Island nations has particular knowledge and understanding to contribute to bilateral activities. U.S. participation in the 2010 PIF Post-Forum Dialogue allowed for important bilateral U.S.-New Zealand and trilateral U.S.-Australia-New Zealand meetings.

Across the Asia-Pacific region, both countries have a strong interest in maintaining freedom of commerce and navigation. They are supportive of democracy and good governance norms and institutions, and have a concern for how these are respected and protected among the vulnerable states and economies of Southeast Asia and the South Pacific. They welcome development assistance from other donor states that is designed to improve the economic well-being and human

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10. Scoop.co.nz, "Civil Defence Agreements Signed with Australia and the US," December 11, 2010, <http://www.scoop.co.nz/stories/print.html?path=PA1012/S00204/civil-defence-agreements-signed-with-australia-us.htm>.

11. New Zealand Police, "New Zealand Police in Afghanistan (Operation Highlands)," accessed January 11, 2011, <http://www.police.govt.nz/service/overseas/afghanistan.html>.

12. Secretary of State Hillary Clinton, "Remarks with New Zealand Foreign Minister Murray McCully After Their Meeting," Washington, DC, October 8, 2009, <http://www.state.gov/secretary/rm/2009a/10/130413.htm>.

security of regional nations and their people. In this context, the two countries can coordinate efforts in the ASEAN Regional Forum and eventually within the East Asia Summit. They can also support the agreement of Forum Leaders (“2009 Cairns Compact”) that the Post-Forum Dialogue to which the United States is a party should be the preeminent mechanism for collective review of progress in strengthening development coordination.

The Asia-Pacific region is a priority for practical cooperation between the two countries’ defense forces. A New Zealand frigate participated recently in a passage exercise in Japanese waters with United States Navy and Japan Maritime Self-Defense Force vessels. In June 2010 HMNZS *Te Kaha* and *Endeavour* visited Hawaii and ports on the Pacific coast of the U.S. mainland; while visiting Seattle, *Te Kaha* was met by a U.S. Coast Guard berthing party, which while a standard procedure could lead to further engagement and cooperation.<sup>13</sup> New Zealand and the United States are increasingly recognizing their mutual interests in the Pacific Ocean maritime domain through the cooperation occurring in the “Quads” grouping (Quadrilateral Food Safety Group), which includes Australia and France. Minister of Defence Dr. Wayne Mapp of New Zealand recently indicated that multipurpose vessels of the U.S. and New Zealand navies would work together in an upcoming Pacific Partnership Humanitarian Civil Assistance Operation. His comments were made during his visit to U.S. Pacific Command (PACOM) in December 2010. He also travelled to Washington, D.C., where he met with his U.S. counterpart, Secretary of Defense Robert Gates.

Common U.S. and New Zealand interests in the development of effective regional institutions provide fresh opportunities for enhanced bilateral relations. Multilateral forums in the wider Asia-Pacific region encourage similar possibilities on a larger stage. New Zealand welcomed the decision of the United States to seek membership in the East Asia Summit and its participation in the 2010 EAS where it was officially invited to join along with Russia. Alongside existing interactions in APEC and the ASEAN Regional Forum, U.S. involvement in the EAS will offer new scope for the bilateral relationship to grow in a multilateral setting. Specifically, both the United States and New Zealand understand that a strong ASEAN is a sound foundation for regional architecture. Both countries share an interest in leveraging resources with other countries to strengthen ASEAN-centered institutions. This is an important area for future cooperation.

In a new development, both New Zealand and the United States recently participated in the inaugural ASEAN Defence Ministers Meeting Plus (ADMM+) in Hanoi, Vietnam. Given ASEAN’s leading place in the evolving regional security architecture, a positive relationship with the 10-member group is important for joint New Zealand–U.S. interests. New Zealand and U.S. representatives have also cooperated in nonofficial “track 2” dialogue with their counterparts from other Asia-Pacific countries, including in the Council for Security Cooperation in the Asia Pacific (CSCAP). While current cooperation is useful, efforts should be significantly expanded to leverage both countries’ resources and capabilities more effectively.

There are compelling reasons for greater bilateral political and security cooperation to occur in the context of the evolving geopolitics of the Asia-Pacific region. Both countries have much at stake in building effective institutional mechanisms to help manage the changing regional order. They share a strong interest in a stable, confident, and prosperous region. They acknowledge that this will require ongoing and effective patterns of cooperation among the major regional powers, including positive interaction between the United States and China, and also involving India,

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13. “Seattle, 19-24 June,” *Navy Today*, August 2010, 14–15, available at <http://www.navy.mil.nz/downloads/pdf/navy-today/nt156-web.pdf>.



Japan, the Republic of Korea, and ASEAN members. Closer and more resilient bilateral ties as part of a network of growing relationships with other powers in the Asia-Pacific region is a sound strategic investment for both countries.

## Conclusion

The diversity and scale of the many cooperative activities outlined above illustrates that in increasing measure New Zealand and the United States have accepted it is in their individual and joint interests to move beyond the policy difference that emerged in the mid-1980s and to effectively quarantine it so as not to constrain valuable bilateral work in many other fields, including some with a strong security focus. Given this, it might be tempting to suggest that the overall relationship will assuredly continue to move ahead with new vigor as the sum of these various parts.

Such an attitude, however, would be unduly complacent and could represent a missed opportunity. One of the principal findings of this study is that the range and intensity of bilateral and multilateral political consultation and security cooperation has reached a point where it would benefit from being supported by additional forms of dialogue and interaction. There is a need to give the relationship more robust structure so that cooperation is purposeful and planned. This would help to clearly establish strategic priorities, assist in setting annual agendas, avoid duplication, provide for institutionalization of cooperation, and send a clear signal that the relationship has entered a new and more positive phase. Action along those lines would be consistent with the “strategic partnership” theme in the Wellington Declaration, help fill in the blanks in the November 4, 2010, Declaration of U.S. secretary of state Clinton, and ensure that over time the relationship assumes much more concrete meaning than its initial symbolic value.

## Recommendations

1. **Initiate a bilateral strategic dialogue.** A practical step to consolidate a higher level of bilateral engagement would be to work toward an annual New Zealand–United States strategic dialogue involving the respective foreign affairs, defense, and trade ministers and senior officials. This would encourage senior government representatives to share their views on a wide range of issues, develop personal relationships, and identify new areas for cooperation. Just as importantly, it would permit the development of an integrated and coordinated approach to the range of cooperative activities already under way. As an important step in this direction, sub-ministerial meetings between senior officials could be institutionalized. Among the key agenda items to be included:
  - a. Expand and deepen coordination of strategies and tactics to advance common interests in key regional and subregional institutions such as EAS, ARF, ADMM+, PIF, APEC and others.
  - b. Explore opportunities for additional bilateral cooperation to address nontraditional security issues in the Asia Pacific. An example discussed in more detail in chapter 5 of our study would be further cooperation in the Pacific on multilateral Humanitarian Assistance and Disaster Relief (HADR) exercises involving New Zealand’s Project Protector vessels. It is possible to envisage multilateral passage exercises involving a range of countries, including the United States, ASEAN members, New Zealand, Australia, China, and Japan.

- c. Include discussion of development resources. The United States' decision to re-engage with the South Pacific on development issues through USAID should provide opportunities for greater bilateral and trilateral cooperation. In chapter 5, this study recommends that priority areas such as renewable energy and climate change should be targeted for specific development projects. As increased development assistance flows into the region in the years ahead, it will become even more important to ensure proper coordination among donors. Finding innovative ways to enhance bilateral discussions on aid would strengthen the New Zealand–U.S. relationship and also provide a basis for constructive conversations with other important donors in the region like Japan and China.
- 2. Develop multilateral interactions.** Governments should focus on the significant areas of common interest and develop multilateral interactions with key partners in the Asia Pacific. This effort could usefully start among Australian, New Zealand, and US officials, but should be expanded to include other partners based on current needs and interests. These could provide a useful forum for sharing views on emerging issues in the Asia-Pacific region. The trilateral meeting on the sidelines of the 2010 Pacific Islands Forum in Vanuatu is one example of how this might work. A multilateral mechanism along these lines to facilitate foreign policy and security discussions should be formalized and regularized, and supported by new forms of practical cooperation at the working level. Targets of opportunity in the near term may include a Friends of Thailand group, Friends of the Chair support for Indonesia as chair of the East Asia Summit, ASEAN (in 2011), APEC (in 2013), and a Burma Change Options Focus Group looking at possible scenarios and options.
- 3. Enhance and expand military-to-military engagement.** Consistent with the Wellington Declaration, the New Zealand and U.S. governments should develop opportunities for more military-to-military gatherings, including joint training and exercises. This would require the two governments to set priorities about which of the new opportunities emerging they might commit resources to, so that available capacity could be directed to those areas where enhanced cooperation would be most beneficial for each country. Both countries should seek to address challenges, whether structural, financial or other, to increase the number of New Zealand students at U.S. military academies.
- 4. Cooperate on nuclear nonproliferation.** On nuclear security and nonproliferation, the United States and New Zealand share significant common ground. The governments should help build on the success of the Washington summit of April 2010 by finding ways of jointly playing an active role in supporting the second Nuclear Security Summit to be held in South Korea in 2012.
- 5. Enhance interaction between think tanks and experts.** While government-to-government interactions require greater structure and focus, they should be supported by vibrant and energetic “track 2 and “track 1.5” processes. It would be useful to encourage structured interactions and exchanges between New Zealand and US think tanks and academics, especially those with an interest in the Asia-Pacific region. A major track 2 event between the United States and New Zealand on the future of major power relations in the Asia-Pacific region would be a useful initiative and effective foundation for deepening and institutionalizing cooperation.

Additionally, trilateral track 2 discussions currently take place among Australia, New Zealand, and ASEAN institutes. It could be useful to create a similar trilateral second track process involving Australia, the United States, and New Zealand as well as developing

processes involving Australia, New Zealand, the United States, and other countries of the Asia Pacific on issues of mutual interest. These might include the design of development assistance programs tailored to local needs in the South Pacific or exploring the relationship between demographic factors and security in the Asia Pacific.

- 6. Explore consolidating the United States–New Zealand Council and the New Zealand–United States Council.** The goal would be to examine the business case for creating one well-resourced transnational institution operating in two countries under joint leadership. It would act as the primary nongovernment advocate for the relationship, and provide an umbrella for track 1.5 and track 2 initiatives with the USNZ Partnership Forum acting as the centerpiece.

# 2

## MOVING TO THE NEXT LEVEL TRADE AND INVESTMENT RELATIONS

*“The Trans-Pacific Partnership is a launch pad for the Obama Administration’s intention to dramatically increase American exports to the Asia-Pacific and create good jobs here at home.”*

— The Hon. Ron Kirk, United States Trade Representative, June 18, 2010

*“The Trans-Pacific Partnership is clearly where the action is on Asia-Pacific trade. . . . This is about growth and about jobs. Our ultimate goal is a region-wide free trade deal.”*

— Rt. Hon. John Key, Prime Minister of New Zealand, November 14, 2010

### Summary

Common goals that reflect shared values and interests make trade and investment a core component of a strong and enduring relationship between the United States and New Zealand. In a regional context, the two countries share a vision of the Asia-Pacific region serving as a global engine of growth. Both countries are willing to invest in efforts to realize the full potential of that growth through high-quality trade and investment agreements. The United States recognizes the need to drive new trade-opening initiatives in Asia; one example is the Obama administration’s focus on passing the pivotal Korea-U.S. Free Trade Agreement (KORUS FTA). For its part, New Zealand is an important proponent of Asia-Pacific integration, given its existing and planned high-quality free trade agreements with Australia, China, ASEAN, India, Japan, Korea, and Russia. The United States recognizes that trade is a necessary and vital component of its overall engagement in the Asia-Pacific and is seeking similarly motivated partners to provide leadership on comprehensive trade and investment agreements.

In this context, New Zealand and the United States have found a vehicle that could encompass their common vision on trade and provide a substantial and rules-based foundation for expanding trade and investment. That is the Trans-Pacific Partnership (TPP) agreement.

There is significant momentum behind the TPP negotiations. The intent of the nine current parties to the negotiations (Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam) is to reach agreement on a high-quality agreement with a sound legal framework. The agreement is designed as a platform that can be enlarged to include other Asian nations and drive wider regional integration in the Asia-Pacific region. The vision includes the TPP becoming the Free Trade Area of the Asia Pacific (FTAAP). The TPP and eventually an FTAAP will support strong export growth and create jobs in both the United States and New Zealand.

By coordinating negotiating positions and working together to build understanding and capacity in interested non-members, the United States and New Zealand can be at the center of an expanding TPP. There will be opportunities for the United States and New Zealand to jointly push for regulatory coherence in the primary sector to gain easier access to currently protected markets in the Asian region.

On a bilateral basis, the economic relationship between New Zealand and the United States has broadened in recent years. Increasingly, the links between the two economies are moving well beyond primary product-based trade. Niche manufacturing, services trade, environmental and agricultural technology exchange, investment flows, and movement of people are much more common. This shift in the economic relationship provides excellent opportunities for cooperation with “win-win” outcomes. U.S. businesses and government agencies benefit from using New Zealand goods and services to improve their productivity, and U.S. consumers are enjoying the safe, sustainable products that New Zealand makes and exports. New Zealand firms benefit from the scale of the U.S. market, and U.S. investment in New Zealand supports innovation and capital integration. The relationship is mutually beneficial now, and the benefits would be significantly broadened and deepened through a high-quality and comprehensive TPP.

## Recommendations

- 1. Conclude a high-quality TPP as soon as possible.** The goal should be to make substantial progress toward delivering a world-class TPP agreement before the United States hosts APEC in Hawaii in November 2011. Further, the United States and New Zealand should jointly commit to strong implementing rules that can be enforced. Once a strong TPP agreement is reached, the United States and New Zealand should immediately set to work building on the TPP platform, adding willing countries toward an APEC-wide Free Trade Area of the Asia Pacific (FTAAP).
- 2. Create a joint United States–New Zealand eminent persons group (EPG),** including the leaders of the United States–New Zealand and New Zealand–United States Councils, to further explore smart partnerships such as those identified in this report.
- 3. Initiate congressional/parliamentary visits** aimed at deepening understanding of the opportunity to expand trade and leverage commercial and other relationships. These visits should also look at other aspects of the bilateral relationship and serve to expand and reinforce relations.
- 4. Develop a series of economic dialogues with the Asia-Pacific countries** most likely to be interested in and able to join the TPP after the initial agreement is reached in order to share information, encourage them to join, and address structural or political challenges that must be overcome to expand the TPP toward wider regional economic integration.
- 5. Identify areas of common interest and jointly promote those issues in key regional trade and investment forums** such as the TPP, APEC, the Closer Economic Partnership for East Asia (CEPEA), and the East Asia Summit (EAS) with a goal of leveraging efforts to promote regional trade and investment facilitation. For example, common positions on customs valuation and harmonization of regulatory standards could be used to create coalitions and encourage other parties to adopt mutually beneficial concepts.

## The Challenge of Improving on Good

The U.S.–New Zealand trade and investment relationship is fundamentally strong and well aligned, but the two governments need to seize the opportunity to do more and move the economic relationship to the next level.

### Goods trade

The United States is New Zealand’s third-most-important export market after Australia and China. It is also a key source of New Zealand’s imports. Bilateral trade is largely balanced and covers a broad range of primary and manufacturing sectors (see table 1). The United States accounts for some 10 percent of New Zealand’s goods exports and a similar proportion of New Zealand’s imports.<sup>1</sup> New Zealand’s share of U.S. imports is very small—around 0.15 percent. This share has been decreasing gradually over the past two decades (see figure 1).

In recent years, the emergence of new export markets has resulted in both countries having a more diverse range of trading partners. ASEAN, China, and other Asian countries are rising fast to become New Zealand’s major trading partners as Asian economic integration effectively takes hold, proving Napoleon’s famous adage that “geography is destiny.” Other Asian nations are participating in the accelerating trend toward Asian economic integration. Similarly, both U.S. and New Zealand trade has diversified and expanded to a broader base. Both countries have lost market share in the other, and that is a trend that appears to be increasing.

### Services and investment

Other aspects of the economic linkages between New Zealand and the United States have developed strongly. This suggests that the relationship is maturing and evolving, and reflects the growing importance of services trade and investment in the modern global economy.

For example, tourism and education are now major export industries for New Zealand. The number of U.S. visitors to New Zealand has risen from 140,000 in 1990 to around 200,000 in 2009.<sup>2</sup> More than 3,000 U.S. students currently enjoy New Zealand’s education system—more than twice the level that did in 2001.<sup>3</sup>

The annual number of New Zealand visitors to the United States has fluctuated considerably but currently stands at around 93,000, considerably higher than in the early 1990s when the number was around 63,000. More than a quarter of New Zealand visitors to the United States are travelling for business purposes.<sup>4</sup>

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1. Goods imports from the United States were around 17 percent of the total New Zealand market in 2000 but have dropped to 10 percent.

2. This is down from a peak of 225,000 in 2006, reflecting the impacts of the global financial crisis on U.S. household incomes.

3. New Zealand Department of Labour (Immigration), “Workforce 2020,” accessed December 2010, <http://www.dol.govt.nz/services/LMI/workforce2020/globalisation.asp>.

4. Statistics New Zealand, “International Travel and Migration: November 2010 – Tables,” [http://stats.co.nz/browse\\_for\\_stats/population/Migration/IntTravelAndMigration\\_HOTPNov10.aspx](http://stats.co.nz/browse_for_stats/population/Migration/IntTravelAndMigration_HOTPNov10.aspx)

**Table 1. New Zealand's Bilateral Trade with the United States: Top 20 Exports and Imports**  
(in \$NZ millions, calendar year 2009)

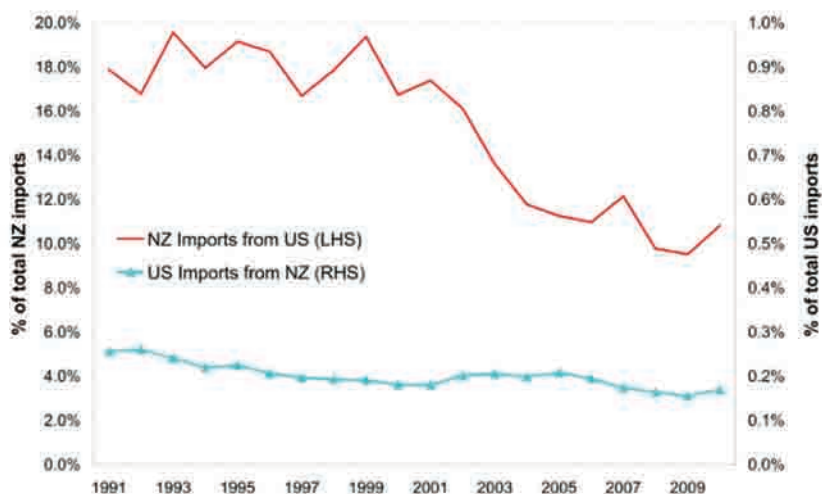
<b>New Zealand exports</b>	<b>Value</b>	<b>New Zealand imports</b>	<b>Value</b>
Frozen beef	716	Aircraft; parts	379
Casein	341	Aircraft	290
Whey and products	296	Turbo-jets	174
Sheep meat	230	Medical or veterinary instruments	162
Wine	214	Electric generating sets	101
Timber	154	Computers	84
Mechano-therapy, massage appliances	129	Motor vehicles	78
Food preparations	110	Telephone equipment	63
Butter	103	Orthopaedic appliances	60
Cheese	82	Pet food	56
Molluscs	68	Medicaments	51
Apples	66	Food preparations	50
Aircraft	65	Cosmetic and toilet preparations	46
Meat or fish meal	60	Reagents	46
Albumins	58	Insecticides	46
Other animal products <i>nes</i>	47	Petroleum coke	41
Fish fillets	45	Motor vehicles; parts	40
Prepared or preserved meat	40	Fertilisers; other	40
Fresh fruit <i>nes</i>	39	Centrifuges, etc.	39
Iron or non-alloy steel; flat-rolled 600mm or more, hot-rolled	36	Taps, cocks, valves etc	39
<b>Total New Zealand exports to United States</b>	<b>3,953</b>	<b>Total New Zealand imports from United States</b>	<b>4,328</b>

Note: "*nes*" signifies "not elsewhere specified."

Source: Statistics New Zealand, December 2010, <http://www.stats.govt.nz/>.



Figure 1. Market Shares



Source: OECD; Statistics New Zealand; New Zealand Institute of Economic Research.

The bilateral investment relationship is also developing. The share of U.S. investment in New Zealand was around \$8.9 billion in 2009, accounting for 12.4 percent of the total share in New Zealand. This has increased from \$4.6 billion in 2003.<sup>5</sup>

In the other direction, the stock of New Zealand outward direct investment in the United States has shown impressive growth recently, from \$690 million in 2003 to \$4.7 billion in 2009 (around 19.5 percent of New Zealand’s total outward foreign investment stock). This equates to average growth of 37.5 percent per annum over the past six years.<sup>6</sup> The continued strength of the New Zealand dollar against the U.S. dollar augments this sharp increase, as will growing links between New Zealand and U.S. businesses.

## Regional context

New Zealand and the United States are both committed to promoting a more open and fair regional economic architecture based on reform-minded policies and rule of law. This is vital, given the slow progress of global liberalization through the World Trade Organization (WTO). The Asia-Pacific region accounts for 37 percent of global economic output<sup>7</sup> and is likely to remain the world’s most dynamic region and engine of growth for the next several decades. New Zealand and the United States both have a strong economic interest in staying close to the heart of this growth. The TPP negotiating agenda includes a range of issues that can significantly expand trade and

5. Statistics New Zealand, “International Investment Position Statement—Stock by Country, Investment by Country,” [http://www.stats.govt.nz/browse\\_for\\_stats/economic\\_indicators/balance\\_of\\_payments/investment-by-country.aspx](http://www.stats.govt.nz/browse_for_stats/economic_indicators/balance_of_payments/investment-by-country.aspx).

6. Ibid.

7. APEC, Key Indicators Database (Year 2009), APEC website, [http://statistics.apec.org/index.php/key\\_indicator/index](http://statistics.apec.org/index.php/key_indicator/index).



investment, reduce the cost of doing business, and address best practices. Strong focus on non-tariff barriers, behind-the-border issues, and harmonizing standards among regulatory agencies to promote regulatory continuity should be goals shared by both countries.

## Free Trade between the United States and New Zealand

A 2003 report from the Petersen Institute of International Economics found strong economic, political, and trade policy rationales for the launch of negotiations between New Zealand and the United States.<sup>8</sup> The report estimates that U.S. exports to New Zealand would rise by about 25 percent, which would be a boon to U.S. industries. The negative impact would be most apparent in the U.S. dairy industry, where production would decrease by 0.5 percent. The report concluded that the largest gains, especially for the United States, would come from the strategic benefits. A free trade agreement (FTA) would help accelerate the momentum of trade liberalization by encouraging other trading partners to participate in the trade liberalization process.

### New Zealand is committed to free trade

New Zealand's outward orientation makes it a leading advocate of global trade liberalization. Accordingly, New Zealand is committed to removing barriers to international trade, and it pursues trade liberalization through bilateral, multilateral, and regional initiatives. It is a natural partner and advocate for like-minded nations that wish to pursue free and open trade regionally in Asia and globally.

New Zealand has concluded nine high-quality, free trade agreements<sup>9</sup> and is presently negotiating trade pacts with India, Russia-Belarus-Kazakhstan, Korea, and the expanded TPP. It has signalled that its intent is to negotiate a high-quality legally binding TPP agreement including areas that will be crucial to win passage of the pact in the United States Congress, such as labor and environment provisions. More challenging issues for New Zealand, such as a comprehensive and law-based approach to intellectual property rights, will also be vital for passage of the TPP in the U.S. Congress.

### The United States is determined to regain its role in promoting free trade

The Obama administration recognizes that a proactive trade policy is a vital part of its foreign policy in Asia. The domestic political environment has made trade a difficult issue, but agreement on the KORUS FTA augurs well for the TPP and the U.S. posture on trade in Asia generally. Passage of the KORUS FTA through the U.S. Congress will be a critical test of the Obama administration's political will to deeply and substantively engage in Asia. In this context, the United States

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8. F. Bergsten and R. Scollay, *The Case for a Model Free Trade Agreement between the United States and New Zealand* (Washington, D.C.: Institute for International Economics, 2003).

9. With Australia (1983), Singapore (2001), Thailand (2005), the Trans-Pacific Strategic Economic Partnership (2005) [the original TPP, which came into force in 2006 with just four members—Brunei, Chile, New Zealand, and Singapore], China (2008), ASEAN (2010), Malaysia (2010), Hong Kong (signed on March 29, 2010,) and the Gulf Cooperation Council (concluded but not yet signed).

is interested in expanding linkages with New Zealand and similarly motivated trading nations to encourage the pursuit of high-level trade agreements in the region that can be supported by the American business community and be passed by the U.S. Congress. Good examples of U.S. progress and determination to secure world-class agreements in Asia can be found in the U.S.-Australia and U.S.-Singapore FTAs.

## The TPP can be a pathway to regional integration

The TPP negotiations present an excellent opportunity for the United States and New Zealand to work together to promote regional economic growth. The TPP has the potential to change the dynamics of trade and investment between the countries of the Pacific Rim. The current TPP partners have a combined economy of \$1.7 trillion and a population of 472 million.<sup>10</sup> Securing preferential access to combined economies has the potential to deliver significant gains to both U.S. and New Zealand exporters.

The negotiations are well under way. Two important objectives of the TPP are to reduce all tariffs between member countries to zero by 2015 and to be comprehensive, covering services trade, investment provisions, environmental and labor issues, rules of origin, trade remedies, and technical barriers to trade. In the long term, the TPP is intended to be a platform that will be expanded to promote wider economic integration in the Asia-Pacific region. Many Asian countries have already expressed interest in joining the TPP, most notably Japan, Korea, the Philippines, and Thailand.<sup>11</sup> Western hemisphere Asia-Pacific nations such as Canada have also expressed interest in joining the TPP.

The strategic value of the TPP for the United States is that it can work with countries such as Australia, Singapore, and New Zealand to set a high-level standard for trade liberalization and then work with these partners to proactively support—through dialogue, educational outreach, capacity building, and other means as needed—other countries' joining the agreement. This will present export opportunities and drive job growth for New Zealand and the United States.

The TPP is likely to act as a spur to advancing the APEC-wide Free Trade Area of the Asia Pacific and/or other regional initiatives such as the Closer Economic Partnership for East Asia (CEPEA), which brings the booming economy of India into play. This underscores the importance of establishing the TPP as a competitive platform agreement that will serve as a docking space for countries wishing to liberalize their domestic markets and become more competitive globally. An analysis prepared for APEC senior officials in 2010 showed that comprehensive tariff elimination combined with trade facilitation and services liberalization could result in a 2.9 percent increase, or \$537 billion, to members economies' collective GDP. As the APEC Business Advisory Council (ABAC) noted, these are gains too important to be left on the table.<sup>12</sup>

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10. Ian F. Ferguson and Bruce Vaughn, *The Trans-Pacific Partnership Agreement*, Congressional Research Service Report R40502, Washington, D.C., November 1, 2010.

11. "APEC Conference: Key 'talks tough,' Japan considers TPP, Vietnam becomes full TPP member," last modified November 24, 2010, [http://tppdigest.org/index.php?option=com\\_content&view=article&id=264:-apec-conference-key-talks-tough-japan-consider-tpp-vietnam-become-full-tpp-member&catid=1:latest-news](http://tppdigest.org/index.php?option=com_content&view=article&id=264:-apec-conference-key-talks-tough-japan-consider-tpp-vietnam-become-full-tpp-member&catid=1:latest-news).

12. APEC Business Advisory Council, *Working Towards Sustainable Growth for All*, APEC Business Advisory Council Report to APEC Economic Leaders, Yokohama, Japan, 2010.

## Primary sector issues raised by the TPP

Much attention has been paid to the potential impacts of the TPP on the New Zealand and U.S. dairy and meat sectors. U.S. dairy organizations in particular<sup>13</sup> are concerned about a significant increase in New Zealand dairy exports entering the U.S. market, competing with domestic U.S. dairy production.

New Zealand's fundamental interest in the TPP is more strategic: to create options for a free flow of dairy products between all TPP signatories and new entrants from Asia as they seek to join. There is considerable scope for New Zealand and U.S. primary producers to work together to build capacity, to help take advantage of the opportunities that an expansion of the TPP might bring about, and to become major suppliers to third country markets such as China, Japan, ASEAN, and India.

The TPP agreement offers the potential to create new opportunities for the New Zealand and U.S. meat and dairy interests and to improve trade facilitation in the Asia-Pacific region in a number of areas. Areas where New Zealand and the United States can cooperate include the following:

### Market access to Asian economies

As Asian consumers become wealthier, their demand for meat and dairy products increase. There are considerable opportunities for primary sector exporters including New Zealand and the United States in meeting this additional demand. However, gaining access to Asian consumers is made difficult due to long-standing high tariff barriers that protect domestic producers. It is in the interests of New Zealand and the United States to work together to reduce these tariff barriers. With the WTO stalled, high quality, open-entry regional trade agreements such as the TPP represent one of the few options for future trade liberalization with Asian trading partners. While New Zealand dairy and meat companies have already begun to benefit from market access opening agreements through bilateral FTAs with countries like China, Malaysia, Thailand and ASEAN as a group, American counterparts could build on their advantage in FTAs already signed with Australia and Singapore and gain competitive access to additional Asia Pacific markets through the TPP.

### Non-tariff barriers

Access to many of New Zealand and the United States' key primary product export markets in Asia is hampered by stringent non-tariff barriers (NTBs). Both countries have a strong interest in ensuring that any sanitary and phytosanitary (SPS) regulations put in place are based on science-based measures and in accordance with international standards. The two countries should drive to resolvedifferences and develop a common position on SPS so that the consistent application of SPS regulations within the TPP has the potential to positively influence global meat and dairy trade flows. The TPP also offers the opportunity to reduce other non-tariff barriers through the harmonisation of rules and standards.

### Trade facilitation

Reducing the transaction costs associated with the transport of primary sector exports and improving the smoother flow of trade is also a priority for New Zealand and United States

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13. U.S. dairy group include the National Milk Producers' Federation (NMPF) and the U.S. Dairy Export Council (USDEC).

producers. Improving customs clearance time in key export markets, for example, is in both countries' interests.

In short, for both the dairy and meat sectors, there are significant long term benefits to be gained by New Zealand and the United States working together. These benefits will significantly exceed any short term adjustment costs that might occur as a result of the current TPP negotiations.

## Business benefits

As noted above, the trade and investment relationship between the United States and New Zealand has evolved significantly in recent years. Increasingly, the links between the two economies are moving well beyond primary product-based trade. Sectors such as niche manufacturing, services trade, environmental and agricultural technology exchange, investment flows, and the movement of people will become increasingly prominent.

To unlock the benefits of further economic cooperation, the United States and New Zealand should strive to come to common positions on other non-tariff issues that relate to expanding innovation and development of technology. An important issue in this context is intellectual property rights (IPR). To drive investment and innovation in technology-related sectors, countries should be motivated to reach agreement on a high-quality vision for IPR. A standard lower than the standards negotiated in the U.S.-Australia or U.S.-Singapore FTAs could potentially put New Zealand and other TPP member countries without FTAs with the United States at a competitive disadvantage in this area vital to high value-added economic growth.

There are many examples of sectors where mutually beneficial business relationships have developed, including:

- Food, including meat and dairy
- Health care
- Agriculture and agricultural technology
- Environmental goods and services (“green growth”)
- Information and communications technologies
- Niche manufacturing

## Conclusion

The United States and New Zealand share substantially common goals and objectives as well as values when it comes to trade and investment and economic development. Both countries believe in the importance of competitive markets and trade liberalization while at the same time promoting values to ensure fair and sustainable trade practices, and good governance. Both countries believe that democracies are fundamentally important political systems that promote strong and enduring economies.

Looking forward, New Zealand and the United States are facing a number of similar economic and political economy challenges:

- Seeking to enhance their economies by extending their external focus.
- Facing longer-term fiscal pressures around their health systems, including coping with rapidly aging populations.
- Grappling to determine the most appropriate way to fight the threats of global climate change and to encourage energy efficiency and “green” jobs.
- Exploring how to use their natural resources as efficiently and sustainably as possible to ensure safe and stable supplies of food for domestic consumption and export.
- Meeting long-standing commitments to a more liberalized global trading environment while being concerned about the potential for rising protectionism.

These established shared interests indicate that much could be gained from deepening the bilateral trade and investment relationship between the two countries. The bilateral economic relationship spans an ever-diversifying range of goods and services and is based on mutually beneficial commercial arrangements between New Zealand and U.S. firms. Reducing remaining bilateral trade barriers via the TPP would provide both countries with enhanced opportunities and would help prevent harmful and inefficient trade diversion resulting from changes in regional trading patterns. The other aspects of modern trade agreements, such as provisions to encourage investment and services trade, facilitate people movement, and promote trade in environmental goods and services, can deliver dynamic gains through technology transfer. On a strategic level, New Zealand and the United States have much to gain from key trading partners in the Asia-Pacific region joining a high-quality TPP.

Based on these common interests, this report concludes that the following steps should be taken to enhance bilateral trade and investment cooperation:

- 1. Conclude and implement a high-quality Trans-Pacific Partnership.** The goal should be to make substantial progress toward delivering a world-class TPP agreement before the United States hosts APEC in Hawaii in November 2011. New Zealand and U.S. negotiators cannot control the pace or direction of the talks. However, working together they can influence the discussions to broaden participation to other countries, ensure comprehensive implementation, promote new markets and benefits to their respective private sectors and strengthen the capabilities of countries aspiring to join the pact.
- 2. Create a joint United States–New Zealand Eminent Persons Group (EPG).** Because of more than two decades of relative inattention, the bilateral relationship lacks the required level of vision and leadership to fully capitalize on the opportunities offered through collaboration and close coordination. An Eminent Persons Group, including the leaders of the United States–New Zealand and New Zealand–United States Councils, would provide immediate focus and visibility to the reinvigorated relationship and promote the exploration of smart partnerships such as those identified in this report.
- 3. Initiate congressional/parliamentary visits** specifically designed to deepening understanding of the opportunity to expand trade and investment as well as leverage commercial and other

relationships. While governments have clearly understood the need to inject fresh energy and commitment into the bilateral partnership, legislative leaders often miss the benefits and first-hand experience provided by meeting counterparts and assessing actual situations, markets and opportunities. These trips could be conducted by the combined US-NZ and NZ-US Councils with strong cooperation and access provided by federal and state governments.

4. **Develop economic dialogues with Asia-Pacific countries.** In parallel with negotiating the TPP, both governments share an interest in working with other countries interested in joining the regional trade and investment opening platform. Efforts should focus both on bringing the most capable and interested countries on board – e.g., Korea, Japan, Philippines and Thailand as well as developing programs to assist aspiring countries that require more capacity to prepare to join. The goal of the joint effort would be to share information, encourage them to join and address structural or political challenges that must be overcome to expand the TPP towards wider regional economic integration.
5. **Identify areas of common interest and jointly promote those issues** in key regional trade and investment forums such as the TPP, APEC, Closer Economic Partnership for East Asia (CEPEA), and East Asia Summit (EAS) with a goal of leveraging efforts to promote regional trade and investment facilitation.

# 3

## SCIENCE AND TECHNOLOGY COOPERATION THROUGH SMARTER PACIFIC PARTNERSHIPS

*“Science and technology cooperation . . . is one of our most effective ways of influencing and assisting other nations and creating real bridges between the United States and counterparts.”*

— The Hon. Hillary Rodham Clinton, U.S. Secretary of State

*“Knowledge drives prosperity. That has long been established. And the government has a crucial role in ensuring that knowledge is developed and used to improve the living standards of all New Zealanders.”* — Rt. Hon. John Key, Prime Minister of New Zealand

### Summary

Cooperation in science and technology between the United States and New Zealand is well established and constitutes a major aspect of the bilateral relationship. However, it is an area where collaborative efforts can and should be substantively increased to provide benefits to both nations, as well as to the Asia-Pacific region and globally.

Science and technology issues underpin many of the key aspects of bilateral cooperation and the potential for expanded cooperation in areas described in other chapters of this study, such as trade, security, and climate change.

For that reason, science and technology policymaking and resource allocation, the vision of private-sector science organizations and contributions and collaboration by technology firms can and should play an important role in strengthening United States–New Zealand relations. Specifically, a smarter Pacific partnership focused on innovation with science and technology can help build bridges, drive mutual prosperity, influence international action, and assist other nations to develop on a range of levels.

Priority areas that merit immediate focus to expand bilateral cooperation and deliver benefits are outlined in the following recommendations.

### Recommendations

1. Develop a United States–New Zealand joint working group, perhaps within the context of the U.S.–New Zealand Joint Committee Meeting, focusing on science-based cooperation on climate change, including Antarctic exploration and development of renewable energy.
2. Create a forum, or center of excellence, including a database of projects, matching proposals and sources of funding and highlighting best practices, to encourage collaboration and engage-



ment between the United States and New Zealand. Governments should provide initial support and encourage the participation of leading universities, research centers, companies, and individuals.

3. Coordinate United States and New Zealand development assistance to include a specific focus on science and technology development, especially in the South Pacific and Southeast Asia. Include a focus on sustainable development, renewable energy, energy conservation, and environmental technology.

## Substantive Engagement Based on Science and Technology

The need to boost the collaborative innovation effort was given top priority in the Wellington Declaration issued on November 4, 2010, in the presence of Secretary of State Hillary Clinton of the United States and Foreign Minister Murray McCully of New Zealand. The declaration highlights why joint efforts to generate new ideas should be an urgent priority:

We resolve also to develop new joint initiatives that confront the challenges faced by the Pacific. Particular areas of focus are to include renewable energy and disaster response management. We recognise that climate change adaptation in the Pacific is also a priority for both countries and is an issue to which the United States and New Zealand are committed.<sup>1</sup>

Collaboration on issues related to Antarctica is often cited as the benchmark for what other cooperative endeavours should aim to achieve. Antarctica is an example of a research niche where both nations have scientific prowess and where strong, long-term bilateral collaboration on climate change research also delivers global derivative benefits. Such knowledge-based relationships leverage skills, values and common goals. This model should be replicated to address a broader range of challenges facing the United States, New Zealand, and the wider Pacific region.

## The Case for Closer Science and Technology Cooperation

Major scientific challenges facing the United States and New Zealand generally have global dimensions. Tackling these problems requires large, international science partnerships. Resolution is beyond the capacity of one nation alone, particularly in the areas that might be called the global commons and global challenges (water, food, security, energy, oceans, human migration, space, polar regions, and even the virtual commons such as cyberspace). Leadership and excellence, albeit in only a vital niche, may come from various quarters. The United States recognizes this fact and, as Secretary of State Hillary Clinton made clear during her November 2010 visit to New Zealand, increasing U.S. science connectivity is crucial.

The Global Research Alliance on Agricultural Greenhouse Gases is a pertinent example of how common values, shared excellence, and determination to make a practical difference on a global issue, has brought together the United States and New Zealand as partners.<sup>2</sup>

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1. New Zealand Ministry of Foreign Affairs and Trade, <http://www.mfat.govt.nz/Media-and-publications/Features/665-Wellington-declaration-on-new-NZ-US-partnership.php>.

2. Global Research Alliance on Agricultural Greenhouse Gases, "About Us," <http://www.globalresearchalliance.org/about-us.aspx>.



New Zealand recognizes the importance of scientific innovation, despite the fact that due to the size of the country, less than 1 percent of the world's science research is performed there.<sup>3</sup> The ability to make an impact often depends upon partnering and collaboration. New Zealand recognizes that it needs to increase its level of innovation through international collaboration if the long-term performance of its economy is to be lifted. In this context, New Zealand's performance in science and technology has a direct relationship with the local Pacific societies, and the ability to contribute to the wider regional aims and concerns.

To attract world-class technology and science collaboration, the United States and New Zealand must both support and implement strong intellectual property rights regimes. Without such protections, innovation will eventually move to societies and systems that provide better protections for innovative ideas. The Trans-Pacific Partnership (TPP) trade negotiations give both countries an opportunity to provide leadership on this issue and to codify strong protections that will create the necessary environment for expanded science and technology cooperation.

Science also serves to open doors that may be shut to other approaches. It can be a politically neutral bridge builder, particularly when it relates to solving people-centered issues (such as water, health, and food). As mentioned above, mitigating such issues creates wealth, stability, and well-being in societies, with spillover benefits to surrounding communities.

Science also contributes to informing foreign policy objectives. Shared scientific discourse facilitated between diplomats, business leaders, and politicians often leads to better-informed policies. It may not lead to agreement, as ultimately other interests and priorities may come into play, but it does facilitate constructive discussion that can focus on the real issues.

## U.S.–New Zealand Science and Technology Score Card

Current levels of science and technology cooperation represent a productive bilateral partnership. The United States is New Zealand's most important research partner. According to the New Zealand Ministry of Research, Science and Technology (MoRST), about 30 percent of the country's research collaborations occur with the United States; and a 2007 National Bibliometric Report revealed that 21 percent of New Zealand's coauthored publications had a U.S. collaborator.<sup>4</sup>

Business-to-business technology linkages are robust but more difficult to quantify due to their scale, diversity, degree of informality, and the fact that they are less well monitored. This does not mean that they are any less crucial to the success of the bilateral relationship than the formal linkages made to facilitate “pure science.” In fact, it is likely that private-sector partnerships may out-produce official sector cooperation by a considerable degree. To continue to expand these partnerships, governments should be encouraged to promulgate innovation-friendly policies that support the movement of ideas, talented people, and funding, as well as protect intellectual property.

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3. Anthony Scott, “Taking on the World—Not Each Other,” Science New Zealand, April 16, 2007, [http://www.sciencenewzealand.org/about\\_science\\_new\\_zealand/articles\\_and\\_presentations/taking\\_on\\_the\\_world\\_not\\_each\\_other](http://www.sciencenewzealand.org/about_science_new_zealand/articles_and_presentations/taking_on_the_world_not_each_other).

4. New Zealand Ministry of Research, Science and Technology, *National Bibliometric Report 2002-2007*, <http://www.morst.govt.nz/Documents/publications/statistics/National%20Bibliometric%20Report%202002-2007.pdf>.

## Facilitation of the U.S.-New Zealand Science and Technology Relationship

An overarching framework is in place to enable science-based organizations, firms, and individuals in both countries to work together. The Science and Technology Cooperation (STC) Agreement signed in 1974 was reviewed, updated, and formally renewed in 2007.<sup>5</sup>

The programs and activities that have developed in New Zealand to facilitate U.S.-New Zealand science relations have encouraged knowledge networking between individual New Zealand and U.S. scientists and officials. These “scientist mobility programs include

1. U.S. National Science Foundation East Asia and Pacific Summer Institutes Program;
2. Fulbright New Zealand;
3. Ian Axford Fellowships in Public Policy; and
4. Harkness Fellowships in Health Care Policy.

Science relationships between U.S. and New Zealand scientists have also been developed through funding of projects by

1. New Zealand Foundation for Research, Science and Technology;
2. New Zealand Medical Research Council;
3. Tertiary Education Commission; and
4. The Marsden Fund.

These science relationships tend to be initiated between individual scientists. However, in a limited number of cases the New Zealand and U.S. governments act as negotiators, signatories, and funders for bilateral and multilateral science partnerships. These enable larger-scale cooperation at the organization-to-organization level. Good examples include the memorandum of cooperation between New Zealand and the State of Iowa (facilitating biotechnology partnerships), the Energy Development in Island Nations program,<sup>6</sup> the Integrated Ocean Drilling Program,<sup>7</sup> and the Global Research Alliance.<sup>8</sup>

The following areas offer scope to step up the range and depth of bilateral science and technology collaboration and deliver regional benefit:

- Climate change—Mitigating regional impacts on human health; food security; and understanding climate change through Antarctic research. (See “Meeting the Challenge of Climate Change” in chapter 5 and appendix A, “Case Study: Antarctic Exploration.”)
- Renewable energy—Utilizing biotechnology, geosciences, and clean-tech engineering collaboration to expand the use of renewable energy. (See appendix B, “Case Study: Renewable Energy.”)

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5. “US and NZ Pledge Cooperation on Biofuels,” National Business Review, November 1, 2007, <http://www.nbr.co.nz/node/37400>.

6. Energy Development in Island Nations, <http://www.edinenergy.org>.

7. Integrated Ocean Drilling Program, <http://www.iodp.org>.

8. Global Research Alliance, [www.globalresearchalliance.org](http://www.globalresearchalliance.org).

The most important step in developing international science and technology partnerships is extending the interactions between individual scientists or entrepreneurs into organization-to-organization partnerships; these, inter alia, allow the engagement of a broader range of skills to problem solving and are more enduring. To that end, the following specific steps could be taken to support the recommendations in this report.

1. **Initiate and incentivize organizational networks**—ranging from actual to virtual—covering the focal areas identified above and encouraging partnering between U.S. and New Zealand institutes.
2. **Develop business assistance programs**, through collaborative efforts between government departments in charge of trade, commerce, small business, technology cooperation, and science and technology, that target firms with potential interest in developing science and technology relationships in these areas.
3. **Expand the capacity of mobility programs** between the United States and New Zealand for individuals from both the public and private sectors involved in science and technology, for example, by increasing the numbers in the Fulbright New Zealand program.
4. **Invest in the infrastructure to share ideas**, specifically at the initiating end of the innovation spectrum. Explore creating U.S.–New Zealand innovation centers targeting entrepreneurs, students, researchers, and others. These centers could be funded as private-public partnerships and should provide state-of-the-art infrastructure for sharing ideas such as high-capacity communications technologies.
5. **Post a United States Science Counselor in the United States embassy** in Wellington to provide a focal point and leadership on the development of the science and technology relationship and coordinate with U.S. agencies and companies as well as New Zealand counterparts. New Zealand already has a Science Counselor permanently on the New Zealand embassy staff in Washington, D.C.
6. **Include a robust science and technology element in the bilateral development assistance agenda** focusing on the Pacific and Southeast Asia. Use U.S. and New Zealand innovation and ideas to drive new science and technology-based solutions to development, transnational challenges, and other issues within the Pacific Island Forum (PIF), Association of Southeast Asian Nations (ASEAN), East Asia Summit (EAS), and Asia-Pacific Economic Cooperation (APEC) forums.

The U.S.-NZ Joint Committee Meeting (JCM) in January 2010 identified the six areas above as appropriate for closer science and technology cooperation over the next three years.<sup>9</sup> Domestic agencies should be encouraged to partner with colleagues from the partner country. New Zealand and the United States are tackling urgent global problems and are thereby providing public goods to the region. That effort should be aggressively developed and expanded.

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9. United States Diplomatic Mission to New Zealand, “US-NZ Joint Commission Meeting on Science and Technology Cooperation,” remarks by Ambassador David Huebner, January 26, 2010, <http://newzealand.usembassy.gov/jcm.html>.

## Conclusion

Despite the imbalance in size and spending levels of the respective parties, the United States –New Zealand science and technology relationship has good momentum. It is an area of cooperation that should be highlighted, focused on, and elevated. There is a clear focus on issues of mutual interest and the recommendations above point to areas where new interventions could be made.

# 4

## EDUCATIONAL AND CULTURAL LINKAGES

### Summary

Sustained good relations between nations cannot rely solely on high-level policy dialogue; they must be grounded in domestic political support and based on the interests and goodwill of the people. Therefore, enhanced educational, cultural, sports, and other people-to-people initiatives could significantly bolster the United States-New Zealand relationship. The essence of wholesome and enduring ties is found where linkages are made between individuals before ink touches paper.

The United States and New Zealand share much in common when it comes to questions of identity. Focusing on core grassroots issues is a foundational step to enhancing the bilateral relationship.

This chapter focuses mainly on educational linkages, but it should be read alongside appendix C and appendix D:

- Appendix C is a cultural and social essay about how the United States and New Zealand have generally grown closer in those terms over the 70 years since wartime tribulations threw the two societies together in a manner not previously experienced.
- Appendix D offers an overview of sports diplomacy, using rugby as an example of how sports can enhance people-to-people linkages.

### Recommendations

To enhance people-to-people linkages, the United States and New Zealand should carry out the following:

- 1. Increase joint research opportunities** for students focused on new priority areas in the bilateral relationship such as renewable energy, climate change, information technology, food security, and business, as well as increase opportunities for doctoral research in specialist fields of biotechnology, natural sciences, and engineering.
- 2. Develop new visa schemes to reduce barriers to people-to-people interaction**, including business travelers. Bring New Zealand to equal standing with Singapore and Australia with regards to access to the United States as granted in the U.S.-Singapore and U.S.-Australia Free Trade Agreement and related protocols.
- 3. Increase opportunities for students in the United States and New Zealand** to work off-campus with compensation and receive full-time job offers from companies willing to sponsor their H1-B work visas. These arrangements would allow Americans and New Zealanders to work in one another's countries for a period of time during and after studying in the country.

4. **Double financial support and participation in the bilateral Fulbright Program** by 2015. Seek more bilateral funding for student, staff, and professional mobility, as well as encourage more research in areas of mutual interest.
5. **Encourage more educational partnerships** by expanding engagement at the state level in the United States and focusing an annual U.S.-New Zealand “Ambassadors Tour” on education as well as business and foreign affairs.
6. **Create more specific openings for bilateral engagement on indigenous issues and on the role of Pacific Island populations in both countries**, including language and cultural revival. Any initiatives in this sphere should be based on a keen appreciation of the sociocultural distinctiveness that the inclusion of the indigenous elements of both societies brings to their engagement as Pacific partners.
7. **Establish educational centers in U.S. educational institutions dedicated to New Zealand and Australian studies.** The Center for Australia and New Zealand Studies (CANZ) at Georgetown University in Washington, D.C., is a useful model.<sup>1</sup>
8. **Expand business-to-business ties by adding a business work experience dimension to existing fellowships.** Fellowships can encourage young New Zealand and American students who are interested in the business and innovation sector to travel to the other country and gain practical experiences working in diverse industries.
9. **Increase fellowship opportunities in foreign policy**, security, and other expert areas (e.g., nonproliferation, renewable energy) among U.S. and New Zealand think tanks and institutions.

## Background

Educational exchanges between the United States and New Zealand have long been a positive contributor to the bilateral relationship. These ties reached new heights in the early twenty-first century. Expanded linkages are especially evident in higher education, but also encompass other sectors, including educational policy dialogues and research collaboration.

Though the current bilateral educational exchange level is solid, it underperforms its potential. Addressing key challenges and restrictions, ranging from institutional limitations to cost and distance, and overcoming regulatory barriers could exponentially enhance educational linkages. Expanding people-based ties in the public and business sectors is also critical to expanding the bilateral relationship. These are fundamental to cooperation, as they lay the foundation for a creative, broad, and mature relationship between the two countries.

According to the Institute on International Education (IIE), developing partnerships with other institutions internationally enables universities to broaden their reputations and influence around the world.<sup>2</sup> Given this, education exchanges not only improve people-to-people ties, but are also a venue for universities to increase their prestige and become internationally recognized.

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1. Georgetown University Center for Australia and New Zealand Studies, <http://canz.georgetown.edu>.

2. Institute on International Education, *International Education as an Institutional Priority: What Every College and University Trustee Should Know*, n.d., <http://www.iie.org/en/Research-and-Publications/Publications-and-Reports/IIE-Bookstore/International-Education-as-an-Institutional-Priority>.

As of 2010, 100 institutional partnerships have been established among the top universities in the United States and New Zealand.<sup>3</sup> The Fulbright Program has been the best-known feature of the educational relationship for more than 60 years, accounting for thousands of students, scholars, artists, and professional exchanges between the two countries in that time. Since the program's inception in 1948, more than 1,300 New Zealanders have traveled to the United States and approximately 1,100 Americans have traveled to New Zealand on Fulbright awards.<sup>4</sup> There are also special grants such as the John F. Kennedy Memorial Award, which fund visits to New Zealand by high-profile Americans, the most recent of whom was economist Joseph Stiglitz. Another significant grant is the Fulbright Visiting Fellowship to teach a course at Georgetown University, which has allowed leading scholars in New Zealand studies to spend time in Washington, D.C.

As expected, most of the movement in degree-seeking students has been in the direction of the United States, especially at PhD level since the 1970s. Consequently, many academic staff members in New Zealand universities have been trained in the United States, and even more have been influenced by American scholarship. In more recent years, this imbalance has been redressed by steady progress in the effort to increase the number of U.S. students who choose to study abroad in New Zealand, as shown in table 1.

**Table 1. U.S. students studying in New Zealand and New Zealand students studying in the United States, as a percentage of the total number of students in each country studying abroad**

Year	Percentage of U.S. tertiary students studying in New Zealand	Percentage of New Zealand tertiary students studying in the United States
2004	1.9	14.4
2005	2.7	15.3
2006	4.2	14.6
2007	5.4	25.2
2008	4.2	22.9
2009	4.5	21.7
2010	5.5	24.0

Source: OECD, *Education at a Glance*, 2004–2010.

3. Mike Woods, New Zealand Ministry of Education, interview by author, August 30, 2010.

4. Fulbright New Zealand, *A Brief History*, <http://www.fulbright.org.nz/about/history.html>.



## Current Status and Challenges

### Current Exchanges

In 2010, the three leading study-abroad destinations for New Zealand students were Australia (48.9 percent), the United States (24.0 percent), and the United Kingdom (11.9 percent).<sup>5</sup> The United States is a top destination for New Zealand students because it is a hub of information technology and engineering services and provides more opportunities for learning and corporate training. An estimated 1,050 students from New Zealand choose to pursue their postgraduate degrees in the United States every year.<sup>6</sup> Only 300 U.S. students per annum choose to pursue full degrees in New Zealand, while a much larger number—2,700 students—elect to spend a semester abroad in New Zealand.<sup>7</sup> In 2007–2008, New Zealand ranked as the twenty-first most popular destination for U.S. students studying abroad.<sup>8</sup> In 2010, approximately 5.5 percent of U.S. students chose New Zealand as their country of destination, in part due to their cultural familiarity with New Zealand's population.

New Zealand's ranking has not limited the opportunities to initiate and conduct joint research. The United States–New Zealand Educational Exchange (USNZEE) program was established by the American Australian Association and the Kiwi Expat Association (KEA) in 1948. The exchange enables corporate and individual supporters of both countries to contribute to fellowships for advanced research. The Ministry of Education in New Zealand also offers mid-career professionals from the United States the opportunity to apply for the Ian Axford Fellowship in Public Policy, which allows selected individuals to gain first-hand experience in public policy in New Zealand. The fellows are based in Wellington and are paired with a policy expert who serves as their mentor. The Ministry of Education also provides counseling services for New Zealand citizens who intend to study in the United States

### Challenges and Obvious Gaps

Various factors currently discourage U.S. students from studying abroad in New Zealand. Culturally, American students tend to prefer shorter study-abroad experiences, and they have become more adventurous in their destinations, traveling to Europe, Asia, Africa, and the Middle East for their semester abroad, often in their third year of undergraduate studies. In addition, New Zealand's admissions procedures are relatively slow compared to those of universities in other English-speaking countries, such as Australia and the United Kingdom. At the same time, although New Zealand's distance from the United States may have been a barrier in the past, this issue has become significantly less important with the expansion in air routes. Keeping in touch with home and indeed meeting new friends and exploring opportunities more thoroughly before making a long trip is enhanced due to the advent of new media such as Facebook, Twitter, and Skype.

Factors limiting more New Zealand students from studying in the United States are primarily the relatively high cost of tuition, different structures for degree study, and the costs related to long-distance travel. A typical degree in New Zealand takes only three years to complete, but a

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5. OECD Education At-a-Glance, [www.oecd.org/edu/eag2010](http://www.oecd.org/edu/eag2010).

6. Woods, interview, August 30, 2010.

7. Ibid.

8. National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, "Contexts of Postsecondary Education," <http://nces.ed.gov/programs/coe/2010/section5/table-ssa-2.asp>.

bachelor's or master's degree in the United States can take up to four years. Hence, New Zealand students have to balance spending the semester abroad and fulfilling requirements at home or forgoing income if they take additional time studying in the United States.

Another obvious gap is the lack of exchanges outside the academic realm, such as in the areas of military-to-military training and business-to-business ties. Currently, there are no formal exchange programs between service academies and businesses in the United States and New Zealand. The military relationship can stand to gain if candidates in the officer corps of the Army, Navy, and Air Force from both sides intermingle. The business sector could also greatly enhance the relationship by establishing fellowships or internship programs.

At the subtertiary level, the AFS Student Exchange Program continues to promote exchanges for young people, primarily at the high school level. There are large numbers of collaborative research relationships in all disciplines. Although American studies have receded somewhat in prominence, the University of Canterbury continues to offer a designated program in American studies, and many features of American national life continue to be actively studied in fields from political science to literature. There are two designated centers for Australian and New Zealand studies in the United States, at Georgetown University and the University of Texas-Austin, but the profile of New Zealand studies is not as high as could be the case. There are also regular policy dialogues and other forms of interaction between New Zealand's Ministry of Education and state and federal counterparts in the United States.

Accordingly, with respect to areas of potential new or enhanced social, cultural, and educational interaction, we have the following specific suggestions:

- Initiate more focused bilateral dialogues on social policy, perhaps by including discussions on social, cultural, and educational issues to complement economic and security talks as part of an annual New Zealand–United States dialogue across a range of issues.
- Create more specific forums for bilateral engagement on indigenous issues and on the role of Pacific Island populations in both countries, including language and cultural revival. Any initiatives in this sphere should be based on a keen appreciation of the sociocultural distinctiveness that the inclusion of the indigenous elements of both societies brings to their engagement as Pacific partners.
- Encourage more educational links at the subtertiary level, taking more advantage of technology (for example, more use of videoconferences to link classrooms in the two countries).
- Develop more joint degree programs between New Zealand and U.S. universities, especially at the graduate level, which could offer a means of enhancing research-only postgraduate degrees in New Zealand by allowing for some graduate courses to be taken at an American partner institution on an exchange basis. In addition, more studies in any academic field between New Zealand and American scholars should be encouraged.
- Actively explore ways of raising the profile of New Zealand studies and American studies in universities, in part through increased funding from both governments and private-sector contributors.

## Conclusion

Over time, the United States and New Zealand have built a strong foundation for their educational partnership. It is now time for the two countries to strengthen cooperation by expanding programs that can directly benefit their students and universities. The students involved this way will be future actors in driving deeper and more meaningful bilateral cooperation and cultural understanding. The current educational relationship is a good foundation, but educational links could be used more creatively to enhance the other aspects of the relationship in trade, diplomacy, security, and politics.

# 5

## COOPERATION ON TRANSNATIONAL ISSUES

### Summary

The relationship between the United States and New Zealand is built on shared interests in the Asia-Pacific region and a dedication to strengthening global security. Working together, the two countries have the ability to leverage mutual resources, will, and experience to enhance the provision of public goods, a strategic imperative for the United States and a long-term commitment of New Zealand. This chapter explores the potential for expanded cooperation on three transnational issues of specific concern to both nations:

- Nuclear safety, security, and nonproliferation
- Climate change
- Humanitarian assistance and disaster relief (HADR)

A dominant theme elsewhere in this study is also present here, namely that the two countries recognize that issues that threaten the global commons are opportunities for them to work together, leverage resources, and enhance mutual effectiveness in order to ensure a safer and more secure environment in the Asia-Pacific region.

### Nuclear Safety, Security, and Nonproliferation

*“While everyone understands New Zealand’s history in this field, I think it’s important...but I don’t think the argument at this point is to argue everybody should follow the same pathway that New Zealand has, but to point out that I think that a world free of nuclear weapons is a world that we should all want to see and that the threat of nuclear weapons falling into the wrong hands, whether that be a rogue state or a rogue organisation like al Qaeda, is a very real threat and it poses potentially catastrophic outcomes for all of us.”— Rt. Hon. John Key, Prime Minister of New Zealand, April 13, 2010*

### Summary

There is evidence at the highest official level that tensions between the United States and New Zealand over nuclear-related issues have entered into a more relaxed phase, and the two countries are well positioned for deepening collaboration on their policies for nuclear safety, security, and nonproliferation. During the inaugural Nuclear Security Summit in Washington, D.C., on April 12, 2010, both U.S. president Barack Obama and New Zealand prime minister John Key

articulated a common vision on nonproliferation and underlined the commonality of their views on the ends, if not necessarily means, to achieving common goals regarding nuclear security.

The environment created by the leaders represents a significant opportunity for the two nations to work constructively together on nuclear safety, security and nonproliferation. New Zealand was one of the few countries attending the summit that possess neither nuclear weapons nor nuclear power. In that regard, President Obama said that New Zealand had “well and truly” earned its place in top-level discussions on nuclear security; Vice President Joseph Biden also praised New Zealand for its “real leadership role” at the summit, a role consistent with New Zealand’s long-time advocacy of nuclear disarmament.<sup>1</sup>

Building on the momentum of cooperation arising from the April 2010 summit, it is equally important to recognize the existence of negative elements in the relationship between the two countries over the past two and a half decades pertaining to the past differences related to U.S. ship visits. As such, it is incumbent on the two countries to continuously invest in efforts to align their technical and political objectives around nuclear safety, security, and nonproliferation issues and regularly update one another on their policy positions. These exchanges should result in a closer partnership between the United States and New Zealand. Their ability and readiness to work together efficiently for a common purpose in multilateral organizations will consequently be significantly enhanced.

## Recommendations

To realize the full potential of cooperation on nuclear safety and security and nonproliferation issues, the two countries should

1. Focus security cooperation on mitigating the risk of nuclear terrorism.
2. Collaborate with like-minded nations to set an agenda for progressing disarmament and nonproliferation initiatives in appropriate multilateral forums.
3. Increase contact and cooperation between U.S. and New Zealand authorities responsible for counterterrorism and nuclear nonproliferation.

## Background

New Zealand’s atomic roots can be traced to the father of nuclear physics, Ernest Rutherford, a New Zealand-born British scientist (and Nobel laureate) who split the atom in 1917 and discovered ionizing radiation. New Zealand’s strong commitment to being nuclear-free had its origins in the 1940s, when there was a policy decision not to pursue a nuclear weapons program. New Zealand officially declared its anti-nuclear stance when its parliament passed the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act in 1987.<sup>2</sup> The Act established a nuclear free zone to contribute to disarmament and international arms control in the world. It was a mainstream cause widely supported by New Zealanders. The nuclear-free stance is targeted at “nuclear explosive devices and biological weapons” and does not specifically preclude the use of nuclear

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1. Tracy Watkins, “Obama Praises New Zealand’s Nuclear Efforts”, [stuff.co.nz](http://www.stuff.co.nz/national/politics/3576020/Obama-praises-New-Zealands-nuclear-efforts), <http://www.stuff.co.nz/national/politics/3576020/Obama-praises-New-Zealands-nuclear-efforts>.

2. Parliament of New Zealand, “New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act 1987,” Public Act, 1987 No. 86, June 8, 1987, <http://www.legislation.govt.nz/act/public/1987/0086/latest/096be8ed8009ca69.pdf>.

energy. Access to abundant sources of renewable energy means that New Zealand has not yet had to consider or pursue nuclear power as an alternative source of energy. Nonetheless, New Zealand does have nuclear applications that are exclusively limited to “medicine, industry, agriculture, scientific research and nonproliferation.”<sup>3</sup>

While the well-known nuclear-propelled ship visit discourse in 1984 led to what many policymakers see today as lost decades in bilateral relations, ties began to recover and warm under the George W. Bush administration. It has been reported that in 2007, in a private closed-door meeting, U.S. president Bush told New Zealand prime minister Helen Clark that the United States could now live with New Zealand’s anti-nuclear policy as embodied in the Act.<sup>4</sup>

Whatever the case, space was created and the United States and New Zealand have been cooperating in nuclear nonproliferation initiatives. For instance, New Zealand has consistently been an active participant in the Proliferation Security Initiative (PSI) sponsored by the United States. In September 2008, New Zealand hosted an international PSI training operation called Exercise Maru in Auckland.<sup>5</sup> This multiagency exercise was designed to test and develop procedures that detect the transportation and smuggling of weapons of mass destruction (WMD). Bilateral cooperation was reinforced in 2009 when the U.S. Department of Energy and New Zealand Ministry of Foreign Affairs and Trade signed an agreement on Cooperation on Nonproliferation Assistance.<sup>6</sup> The arrangement supports collaborative work between the two countries to secure nuclear and radioactive materials and deter illicit trafficking in these materials by improving monitoring capabilities at the borders and ports.<sup>7</sup> At the multilateral level, the ministers from the Association of Southeast Asian Nations (ASEAN) countries, Australia, Canada, China, Japan, Korea, New Zealand, and the United States have convened at the Asian Senior Talks on Proliferation (ASTOP) to discuss their common interest in the security of the Asian region as well as various issues related to the strengthening of the nonproliferation apparatus in Asia since 2003.

In addition, two developments have made deepening and broadening cooperation on nuclear safety, security, and nonproliferation increasingly possible and attractive to both parties:

First, the United States has always placed a high priority on combating nuclear terrorism. Specifically, President Obama seeks to combat nuclear terrorism by reducing the opportunities for terrorists to get access to nuclear material—that is, through nuclear weapon arsenal reductions and consolidation of dangerous fissile materials, in addition to interdictions and interceptions. This is an objective that New Zealand strongly supports.

Second, President Obama’s April 2009 Prague speech on a world free of nuclear weapons followed by the September 2009 United Nations Security Council Summit and after that by the 2010

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3. Mark Fitzpatrick, ed., *Preventing Nuclear Dangers in Southeast Asia and Australasia* (London: International Institute for Strategic Studies, 2009), 186.

4. Robert E. White, *Nuclear Free New Zealand: Twenty Years On* (Auckland: Centre for Peace Studies, 2007), 34.

5. New Zealand Ministry of Foreign Affairs and Trade, “Counter-Proliferation Initiatives,” <http://www.mfat.govt.nz/Foreign-Relations/1-Global-Issues/International-Security/3-Counter-Proliferation-Initiatives.php>.

6. U.S. Secretary of State Hillary Clinton, “Remarks with New Zealand Foreign Minister Murray McCully,” U.S. Department of State, April 7, 2009, <http://www.state.gov/secretary/rm/2009a/04/121371.htm>.

7. U.S. Department of State, “U.S.-New Zealand Arrangement for Cooperation on Nonproliferation Assistance,” April 7, 2009, <http://www.state.gov/r/pa/prs/ps/2009/04/121363.htm>.

Nuclear Security Summit built an important framework for collaboration on these issues.<sup>8</sup> This presented an opportunity for New Zealand to cooperate with the United States and other countries with full alignment and common intent.

New Zealand and the United States maintain the common view that it is vital to ensure that rogue states and organizations “never gain access to plutonium or highly-enriched uranium.”<sup>9</sup> At the 2010 Nuclear Security Summit in Washington, D.C., New Zealand agreed to contribute financially to the United States Nuclear Smuggling Outreach Initiative, which seeks to enhance partnerships around the world to “prevent, detect, and respond to” incidents of nuclear smuggling, as well as the Nuclear Security Fund (NSF) of the International Atomic Energy Agency (IAEA).<sup>10</sup> New Zealand’s experience in promoting and implementing anti-nuclear policies leverages and contributes to United States and multilateral counterproliferation initiatives. In other words, the two countries can work hand-in-hand together on this common goal.

The robust mutual support and cooperation on nuclear nonproliferation on many levels has contributed to the restoration of warmer U.S.-New Zealand relations. This was reflected in the November 2010 Wellington Declaration signed by U.S. secretary of state Hillary Clinton and New Zealand foreign minister Murray McCully, which contained an agreement to “further our two nations’ joint cooperation in addressing broader regional and global challenges, such as...nuclear proliferation.”<sup>11</sup>

## Conclusion

Through their common interests in nuclear nonproliferation, the United States and New Zealand can leverage one another’s strengths, various experiences, and comparative advantages. Cooperation in this area is especially useful in the context of the bilateral relationship, as it, at least partly, moves toward changing the paradigm for the relationship in an area that had underlined differences in the past.

New Zealand, as a nonaligned country, is committed to and prepared for a leadership role in nuclear disarmament discussions, and the United States has stressed that all stakeholders, not just the nuclear-weapon states, need to be involved in this project. The two countries should continue to enhance their areas of cooperation, as illustrated at the 2010 Nuclear Security Summit, cooperate in multilateral forums, and strengthen their policy coordination, including their preparations for the 2012 Nuclear Security Summit in Seoul, Republic of Korea. To realize the full potential of cooperation on nuclear safety and security and nonproliferation issues, the two countries should do the following:

1. **Focus security cooperation on mitigating the risk of nuclear terrorism.** The United States and New Zealand should plan to convene experts with experience and expertise from the secu-

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8. President Barack Obama, “Obama Prague Speech on Nuclear Weapons: Full text,” *The Huffington Post*, updated June 5, 2009, [http://www.huffingtonpost.com/2009/04/05/obama-prague-speech-on-nu\\_n\\_183219.html](http://www.huffingtonpost.com/2009/04/05/obama-prague-speech-on-nu_n_183219.html).

9. U.S. Department of State, “National Statement of the United States, Nuclear Security Summit, Washington, D.C., 2010,” April 2010, <http://fpc.state.gov/documents/organization/140353.pdf>.

10. U.S. Department of State, “Highlights of National Commitments, Nuclear Security Summit, Washington D.C., 2010,” April 2010, <http://fpc.state.gov/documents/organization/140356.pdf>.

11. “NZ and US Sign Wellington Declaration,” Yahoo!Xtra News, November 4, 2010, <http://nz.news.yahoo.com/a/-/top-stories/8258358/nz-and-us-sign-wellington-declaration/>.



rity, defense, and counterterrorism disciplines on a regular basis to ensure that adequate civil and criminal legal frameworks are in place and remain up to date. The governments should encourage expanded information sharing among these experts. For instance, as an active contributor to the G8 Global Partnership against the spread of Weapons of Mass Destruction, New Zealand should explore the possibility of submitting information about all its efforts to combat the spread of WMD and related radiological, chemical, and biological materials, including its initiatives related to proliferation-related activities currently taking place outside Russia and the former Soviet Union.

- 2. Work together with like-minded nations to set the agenda for progressing disarmament and nonproliferation initiatives** in appropriate multilateral forums. Include nonproliferation in a series of United States-New Zealand Plus One trilateral dialogues on transnational issues throughout the Asia-Pacific region. Immediate opportunities could include Australia and key members of ASEAN.
- 3. Increase bilateral collaboration between U.S. and New Zealand authorities** responsible for nuclear nonproliferation. Officials should have bilateral meetings to discuss and assess their performances in initiatives such as the Proliferation Security Initiative (PSI) and the Global Initiative to Combat Nuclear Terrorism (GICNT) and develop strategies for cooperation.

In conclusion, the United States and New Zealand have compelling reasons to work together to build trust and confidence by focusing on common goals in the nuclear safety, security, and nonproliferation context. The leaders of both countries have set a positive tone for this cooperation. As these efforts are made, any residual tensions within the bureaucracies around past nuclear policy differences will eventually diminish as the renewed habit of cooperation grows through participation in joint working groups and collaboration in multilateral organizations.

## Meeting the Challenge of Climate Change

*“The [Pacific] region is of vital importance to Asia-Pacific stability and to our shared interests in freedom of navigation, mitigation of climate change, energy security, sustainable, robust fisheries, and protecting biodiversity.”* — The Hon. Kurt M. Campbell, U.S. Assistant Secretary of State for East Asian and Pacific Affairs

*“It’s a matter of survival for us. If our islands go under, we all go under.”* —The Hon. Anote Tong, President of Kiribati

### Summary

As a country sharing a long-standing concern about climate change, New Zealand’s desire to be, and to be seen as, a good international citizen and to sustain a reputation as a “clean, green” country makes it natural partner for the United States. The two countries’ shared interest in mitigating climate change is an important area for U.S.- New Zealand collaboration. The two enjoy long-standing cooperation on climate change issues. New Zealand is existentially focused on this issue, as smaller island nations are likely to bear the brunt of the negative effects of climate change. Developed nations such as the United States and New Zealand share a global responsibility to help

and provide public goods. Through closer coordination at the policy and implementation levels, the two countries can effectively leverage their efforts. They should aim to exert more influence in multilateral forums to promote efforts to support effective measures to address climate change and limit its impact in the Asia Pacific and South Pacific.

## Recommendations

1. **Coordinate positions and provide leadership in multilateral organizations to address climate change** by acknowledging its severity and possible long-term consequences. As noted in chapter 3 of our study, science and technology can play a special role in international relations, transcending political differences.
2. **Leverage existing bilateral cooperation in the existing Climate Change Partnership** (including governments, nongovernment organizations, research institutions, and the private sector) to build on the framework defined at the Copenhagen Summit and the December 2010 Cancun conference to drive more focused scientific collaboration and research on greater energy efficiency, renewable electricity sources, and new technology to reduce greenhouse gas emissions.
3. **Increase development funding and assistance to enhance the ability of small island-nations to mitigate, adapt, and achieve a greater degree of resilience** in the face of a changing climate. This would be facilitated by the reestablishment of a United States Agency for International Development (USAID) presence in the South Pacific that would coordinate programs with the New Zealand government.
4. **Coordinate planning to prepare for possible security-related implications of climate change.**

## Background

Both the United States and New Zealand have political and national security-based concerns compelling them to address the challenge of climate change. Each country is seeking partnerships and support from like-minded countries. Both countries share a specific interest in the possible impact of climate change in the Asia-Pacific region and particularly in smaller island nations in the Pacific.

In 1998, New Zealand initiated a climate change program that defined the foundation for the government's policy. A proactive policy profile was embodied in the appointment of New Zealand's climate change ambassador, Dr. Adrian Macey, to chair the Kyoto Protocol at the United Nations Climate Change Conference in Cancun, Mexico, in December 2010. His selection underlined New Zealand's leadership and ability to punch above its weight as a relatively small nation in climate change negotiations.<sup>12</sup> In the United States, there is a renewed level of commitment to strengthen domestic policy and to work with other nations to effectively tackle the challenge of climate change. President Obama has been an outspoken proponent for addressing the issue through international cooperation, although he faces domestic political challenges in aligning American support for action.

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12. New Zealand Government, "NZ Ambassador Gets Climate Change Job," June 12, 2010, <http://www.beehive.govt.nz/release/minister-welcomes-international-climate-change-appointments>.

A bilateral Climate Change Partnership has existed between the United States and New Zealand since October 2002, with the first projects for the partnership announced on July 25, 2003. Presently, there are 35 completed or on-going projects under this joint effort.<sup>13</sup>

During the United Nation's Copenhagen Climate talks in December 2009, the United States and New Zealand joined 20 other countries to announce the establishment of a Global Research Alliance on Agricultural Greenhouse Gases to better understand and find ways to mitigate greenhouse gas emissions from farms.<sup>14</sup>

Reducing agricultural emissions would have a substantial impact on global greenhouse emissions. Agricultural sources account for more than 50 percent of New Zealand's emissions and about 6 percent of all U.S. emissions, which together total 14 percent of global agricultural emissions.<sup>15</sup> One of the key outcomes from the Copenhagen Summit that was reaffirmed at the Cancun meeting in December 2010 was a commitment from industrialized countries to raise \$100 billion a year from 2020 onward to help the most-vulnerable countries adapt to climate change and to encourage large industrializing countries like China and India to use more renewable energy.<sup>16</sup> New Zealand announced that it would contribute \$45 million over four years to the Alliance.<sup>17</sup>

The United States' stance on climate change over the last two decades has been less straightforward due to domestic political limitations on passing laws with regulatory power to address climate change.<sup>18</sup> The key policy change between President Obama and his predecessors in the White House is his starting point that man-made activities actually do contribute to climate change. Despite the modest success of the Cancun meeting, considerable effort is now required to develop a workable international framework for curbing greenhouse gas emissions. U.S.-New Zealand ties could be strengthened by coordinating positions in multilateral climate change forums like the United Nations Conference on Climate

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13. New Zealand Ministry of Foreign Affairs & Trade, "Joint Statement by New Zealand and the United States following the Fifth Meeting under the US/New Zealand Bilateral Climate Change Partnership," September 18, 2008, <http://www.mfat.govt.nz/Media-and-publications/Media/0-NZ-US-climate-change-18-sept-08.php>.

14. David A. Fahrenthold, "U.S., 20 Other Nations Team to Research Greenhouse Gas Emissions from Farms," *Washington Post*, December 17, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/12/16/AR2009121601833.html>.

15. Ibid.

16. The United States' promises to mobilize its share of the \$100 billion depend on the establishment of a carbon market, which will be created through climate change legislation. Obama administration officials have said the United States will raise its share from a variety of sources — not just government funds. The state of climate change legislation is highly uncertain now. However, in November 2009 the Environmental Protection Agency formally declared carbon dioxide to be a public danger so that it can cut greenhouse gas emissions even without the agreement of a reluctant U.S. Senate.

17. New Zealand Ministry of Foreign Affairs & Trade, "\$45 million for Global Research Alliance," December 15, 2009, <http://www.beehive.govt.nz/release/45-million-global-research-alliance>.

18. The United States has not ratified a major international environmental treaty since 1992, and President Clinton never submitted the Kyoto Protocol for approval. The United States was a key architect in drafting the Kyoto Protocol, however. It must be noted that the United States ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, with the nonbinding aim of reducing atmospheric concentrations of greenhouse gases, with the goal of "preventing dangerous anthropogenic interference" with Earth's climate system. New Zealand ratified both the Kyoto Agreement and the UNFCCC.

Change (UNCCC) and in regional forums such as the East Asia Summit (EAS), Asia-Pacific Economic Cooperation (APEC), and the Pacific Island Forum (PIF).<sup>19</sup>

## The Pacific: The Region of Common Concern

Increasing average annual temperatures, changing rainfall patterns, rising sea levels, ocean acidification, and the intensification of tropical weather patterns (including cyclones, El Niño, and others) are among the results of climate change for all South Pacific nations. Compounding the challenge, the small size, geographical isolation, generally low income levels, and relatively underdeveloped physical infrastructure of the Pacific Island Countries and Territories (PICT) make them especially vulnerable to climate change.

According to the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (4AR) projections, global air temperature will increase by 0.99°C to 3.99 °C by the end of this century.<sup>20</sup> Acting as a “threat multiplier,” the impacts of rising temperatures include rising ocean levels, ocean warming, and increased intensity and frequency of extreme weather events like tropical cyclones. The IPCC report also projected that the mean sea level will rise between 0.19 and 0.58 meters by the end of the twenty-first century. Many of the PICTs, for example, Kiribati, the Marshall Islands, and Tuvalu, have elevations of only a few meters above sea level and face imminent threats and the potential loss of land due to rising sea levels.

In 2009, the first evacuation of an entire population (some 2,000 people) on Carteret Islands in the South Pacific was initiated due to persistent flooding. The people of the Carteret became the world’s first “environmental refugees.”<sup>21</sup> Another island under threat is Tuvalu, which has a maximum elevation of 4.6 meters (15 feet) and fewer than 11,000 citizens. Convinced that the country may be entirely covered with water in as little as 50 years, the islanders have begun the evacuation process. Certain reports state that New Zealand has agreed to grant environmental refugee status to 75 Tuvaluans per year,<sup>22</sup> while on an official level, the New Zealand government clarified that its immigration policy for people from Pacific Access Countries is based on its long-term commitment and links to the region and not directly related to climate change.<sup>23</sup> Some of the other island nations at serious risk are Kiribati, the Marshall Islands, and Tonga.

## Conclusion

No one nation can implement the necessary steps to seek to mitigate the causes of climate change or cope with the potential devastation it could cause. The United States and New Zealand share a common interest and will to provide leadership and global commons in this space and should work together to leverage resources and influence.

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19. The 39th Pacific Island Forum held in Niue in August 2008 endorsed the first-ever climate change declaration for the region; <http://www.forumsec.org.fj/pages.cfm/newsroom/press-statements/2008/forum-leaders-endorse-niue-declaration-on-climate-change.html>.

20. Intergovernmental Panel on Climate Change, *Climate Change 2007: Synthesis Report*, IPCC Fourth Assessment Report (AR4), [http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4\\_syr.pdf](http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr.pdf).

21. Dr. Sanjay Gupta, “Pacific Swallowing Remote Island Chain,” CNN.com, July 31, 2007, <http://www.cnn.com/CNN/Programs/anderson.cooper.360/blog/2007/07/pacific-swallowing-remote-island-chain.html>.

22. Leslie Allen, “Will Tuvalu Disappear Beneath the Sea?” *Smithsonian*, August 2004, <http://www.smithsonianmag.com/travel/tuvalu.html>.

23. New Zealand Ministry of Foreign Affairs & Trade, “New Zealand’s Immigration Relationship with Tuvalu,” August 4, 2009, <http://www.mfat.govt.nz/Foreign-Relations/Pacific/NZ-Tuvalu-immigration.php>.

There are important steps the United States and New Zealand can take together. One of the most tangible would be to increase development funding and assistance for small island nations to support projects that will help those populations adapt to a changing climate.

The United States and New Zealand share the view that despite the on-going scientific debate about the cause and effect of climate change, the magnitude of the challenges faced by vulnerable states should be of special concern to the international community. There is a need to prioritize aid to the Pacific communities least capable of mitigating the effects of climate change and the most exposed to rising sea levels.

Developed countries such as the United States and New Zealand should expand bilateral collaboration on projects to increase the capacity for mitigation and seek to multilateralize such efforts. Such projects also need to be of a certain magnitude in order to achieve a multiplier effect, which would benefit larger communities.

The U.S. government announced plans in November 2010 to reestablish a U.S. Agency for International Development office in the South Pacific in Fiji.<sup>24</sup> This office can be a useful focal point for discussion and joint project generation to address regional impacts of climate change. The establishment of the office has been welcomed by New Zealand. In the long run, the reality of environmental displacement could result in the forced resettlements of various populations. This could create massive political, social, and security costs to all the parties involved. As of now, environmental refugees do not fall under the mandate of the United Nations High Commissioner for Refugees (UNHCR) and cannot be granted refugee status under international law.<sup>25</sup>

Both countries' shared interest in mitigating climate change is an important area for U.S.–New Zealand collaboration. The two countries enjoy long-standing cooperation on climate change issues. Through closer coordination at the policy and implementation levels, they can effectively leverage their efforts. They should aim to exert more influence in multilateral forums in order to promote efforts to support effective measures that would address climate change and limit its impact in the Asia Pacific and South Pacific.

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24. Remarks by U.S. Secretary of State Hillary Rodham Clinton, "America's Engagement in the Asia-Pacific," October 28, 2010, <http://www.state.gov/secretary/rm/2010/10/150141.htm>

25. Samah Elsayed, "Is it Time to Recognize Environmental Refugees?" EarthTrends Environmental Information, World Resources Institute, May 29, 2009, <http://earthtrends.wri.org/updates/node/342>.

## Humanitarian Assistance and Disaster Relief

*“The United States and New Zealand resolve also to develop new joint initiatives that confront the challenges faced by the Pacific. Particular areas of focus are to include renewable energy and disaster response management.”*— Wellington Declaration on a New Strategic Partnership between New Zealand and the United States, November 4, 2010

*“The reality is that there are always going to be events that are so catastrophic that no country can deal with them on their own.”* — The Hon. Wayne Mapp, New Zealand Minister for Defense

### Summary

Humanitarian assistance and disaster relief (HADR) is part of the public commons, the provision of which is core to American values and a contribution to U.S. soft power. It is of equal interest to New Zealand in the role it plays in regional leadership and development support in the Asia Pacific and South Pacific. Both countries share a common vision and accept responsibility for HADR as an aspect of their commitment to promote peace, progress, and security in these regions.

HADR is a proper and increasingly high-profile area for the United States and New Zealand to build confidence in each other’s commitment and capacity to respond. The Wellington Declaration agreement includes provision for multilateral relationships and for joint work in the Pacific.

HADR, which complements the work of civil societies, national disaster management units, and international nongovernmental organizations (NGOs), is also becoming increasingly relevant in the military-to-military context because the provision of HADR support in the Asia Pacific is primarily through the involvement of defense forces. Elements such as training, coordination, close communications, and interoperability are paramount in conducting any military-assisted operation, and HADR is no exception.

For these reasons, and because the Asia-Pacific region is a disaster-prone area, HADR is an appropriate focus for efforts to strengthen regional architecture through, for example, the ASEAN Defense Ministers Meeting Plus (ADMM+), APEC, and the East Asia Summit (EAS). New Zealand and the United States are also both members of the Asian Disaster Reduction Center (ADRC),<sup>26 27</sup> which focuses on the principles and strategies consistent with the international standards set by the Hyogo Framework for Action (HFA) and facilitated by the UN International Strategy for Disaster Reduction (UNISDR). As already noted, the United States and New Zealand are members of these groups and have the potential to work as close partners in influencing their agendas. It has been argued that the most effective Asian regionalism has been achieved via ad hoc coalitions responding to immediate needs, such as the 2004 tsunami that devastated parts of Indonesia and elsewhere. These coalitions—where joint HADR efforts are required to respond to a

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26. Asia Disaster Reduction Center, “Information on member country – New Zealand,” , <http://www.adrc.asia/nationinformation.php?NationCode=554&Lang=en&NationNum=26>.

27. Asia Disaster Reduction Center, “Information on member country – United States,” Center, <http://www.adrc.asia/nationinformation.php?NationCode=840&Lang=en&NationNum=29>.



major natural disaster—are most easily and quickly formed when common standards of operation and distinct roles and responsibilities have already been clearly identified.<sup>28</sup>

## Recommendations

New Zealand and the United States contribute to the global commons through their global and regional disaster relief efforts, usually being among the first responders in neighborhoods that have more than their share of challenges. As such, HADR is a key area in which the United States and New Zealand can, along with other partners, make a serious difference.<sup>29</sup> Based on these common interests, formalizing partnerships in the context of bilateral cooperation through framework documents such as the Hyogo Framework for Action will strengthen ties and provide a blueprint for global disaster risk-reduction efforts

Implementing the following recommendations is critical to accomplishing these goals:

1. **Increase bilateral interagency coordinated response mechanisms** to enhance interoperability between NGOs, agencies, and military and civilian units in responding to disasters.
2. **Leverage existing regional arrangements** (e.g., ASEAN, ASEAN Regional Forum (ARF), ASEAN Defense Ministers' Meeting Plus (ADMM+), East Asia Summit (EAS), and Asian Disaster Relief Center (ADRC)) that provide efficient, practical, multilateral platforms to establish greater interoperability and confidence between military-to-military and civilian-military disaster management units.
3. **Synchronize scientific collaboration and disaster risk reduction with traditional knowledge sharing**, and encourage increased two-way flow and relationship-building opportunities among and within scientific communities and civil societies.

## Background

### The Asia Pacific—A Disaster-Prone Region

Globally, there has been a fourfold increase in the number of recorded natural disasters since 1975.<sup>30</sup> There has also been a three-fold increase in the incidence of extreme weather events—large cyclones, massive storm surges, and large wind-driven waves.<sup>31</sup> Sudden onset disasters are exogenous events or “acts of Gods” that are difficult to forecast. These events range from devastating tsunamis to floods and freak storms, and sometimes occur with high frequency. For instance, from September 27 to October 1, 2009, the Pacific region was plagued by disasters during what has been

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28. Charles Freeman, Michael J. Green, Victor Cha, Sarah O. Ladislaw, David Pumphrey, Stacey White, Teresita Schaffer, and Amy Searight, *Asia's Response to Climate Change and Natural Disasters: Implications for an Evolving Regional Architecture; A Report of the CSIS Asian Regionalism Initiative* (Washington, D.C.: CSIS, July 2010).

29. “Transcript of the Wellington Declaration Media Conference,” *New Zealand Herald*, November 5, 2010, [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=10685492](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10685492).

30. “Global Report on Human Settlements 2009: Planning Sustainable Cities,” unhabitat.org, 5 October 2009, <http://www.unhabitat.org/documents/GRHS09/FS5.pdf>.

31. Wayne Mapp, “Humanitarian and Disaster Relief in the Asia-Pacific—Shangri-La Dialogue,” New Zealand Government, June 7, 2009, <http://www.beehive.govt.nz/speech/humanitarian+and+disaster+relief+asia-pacific+shangri-la+dialogue>.



referred to as the “Week of Pacific Disasters”<sup>32</sup>—Typhoon Ketsana and Typhoon Parma struck Manila, Philippines; Super Typhoon Melor struck the Commonwealth of the Northern Mariana Islands; Japan suffered multiple earthquakes; a devastating tsunami hit Samoa and American Samoa; and another cluster of earthquakes occurred in West Sumatra, Indonesia. Days later, an additional cluster of earthquakes hit Vanuatu, causing another tsunami and new tropical cyclones.

The South Pacific region is clearly vulnerable and has suffered more than its fair share of natural disasters. Spreading across six time zones, the region comprises 14 Pacific island countries<sup>33</sup> and five territories,<sup>34</sup> many of them atolls and small islands. These small islands are exposed and susceptible to the impacts of sudden on-set disasters, often of a hydrometeorological and/or geological nature.<sup>35</sup> According to the National Geophysical Data Center, more than 130 sunamis have occurred in the South Pacific region, including Australia and New Zealand, in the last three decades.<sup>36</sup>

One of the most recent devastating tsunamis in the region occurred in 2009 in Samoa, American Samoa, and Tonga, where nearly 150 people perished.<sup>37</sup> Samoa and Tonga suffered serious damages costing respectively 28.7 percent and 3.6 percent of their GDP.<sup>38</sup> Also according to the National Geophysical Data Center, there were about 170 instances of major earthquakes in the Central and South Pacific region<sup>39</sup> in the same period. The most recent occurred in Christchurch, New Zealand, on September 3, 2010. This 7.0 magnitude earthquake did not result in any deaths, but damages could exceed NZ\$4 billion (US\$3 billion). The impact could have been significantly worse if not for careful contingency planning and strict implementation of anti-earthquake building and zoning rules.

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32. James Cameroon, “Protect the Pacific,” authorpalace.com. <http://www.authorpalace.com/science/protect-the-pacific.html>.

33. Cook Islands, Fiji Islands, Kiribati, Republic of the Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

34. French Polynesia, Guam, New Caledonia, Pitcairn Island, and Tokelau.

35. N. Mimura, et al., *Small Islands—Climate Change 2007: Impacts, Adaptation and Vulnerability*, Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, eds. M.L. Parry et al. (Cambridge: Cambridge University Press, 2007).

36. National Geophysical Data Center, “Tsunami Run-ups Full Search, 1980 to 2010 (East Australia, New Zealand, South Pacific Islands),” [http://www.ngdc.noaa.gov/nndc/struts/results?bt\\_0=1980&st\\_0=2010&type\\_3=Exact&query\\_10=81&op\\_12=eq&v\\_12=&type\\_14=Exact&query\\_14=81&op\\_3=eq&v\\_3=&type\\_4=Like&query\\_4=&bt\\_17=&st\\_17=&st\\_5=&bt\\_6=&st\\_6=&bt\\_5=&type\\_3=Exact&query\\_15=N one+Selected&bt\\_1=&st\\_1=&bt\\_2=&st\\_2=&bt\\_16=&st\\_16=&d=198&query=&t=101650&s=167&submit\\_all=Search+Database](http://www.ngdc.noaa.gov/nndc/struts/results?bt_0=1980&st_0=2010&type_3=Exact&query_10=81&op_12=eq&v_12=&type_14=Exact&query_14=81&op_3=eq&v_3=&type_4=Like&query_4=&bt_17=&st_17=&st_5=&bt_6=&st_6=&bt_5=&type_3=Exact&query_15=N one+Selected&bt_1=&st_1=&bt_2=&st_2=&bt_16=&st_16=&d=198&query=&t=101650&s=167&submit_all=Search+Database).

37. “Search Continues, as Death Toll Rises,” last modified 2 October 2009, <http://www.webcitation.org/5kHDz9Yyt>.

38. Femte Vos, Jose Rodriguez, Regina Below, and D. Guha Sapir, *Annual Disaster Statistic Review 2010: The Numbers and Trends* (Brussels: Centre for Research on the Epidemiology of Disasters, 2010), 11, [http://cred.be/sites/default/files/ADSR\\_2009.pdf](http://cred.be/sites/default/files/ADSR_2009.pdf)

39. The dataset “Central and South Pacific” includes Indonesia and Philippines. National Geophysical Data Center, “Significant Earthquakes Full Search, 1980 to 2010 (Central and South Pacific),” [http://www.ngdc.noaa.gov/nndc/struts/results?bt\\_0=1980&st\\_0=2010&type\\_17=EXACT&query\\_17=170&op\\_12=eq&v\\_12=&type\\_12=Or&query\\_14=None+Selected&type\\_3=Like&query\\_3=&st\\_1=&bt\\_2=&st\\_2=&bt\\_1=&bt\\_4=&st\\_4=&bt\\_5=&st\\_5=&bt\\_6=&st\\_6=&bt\\_7=&st\\_7=&bt\\_8=&st\\_8=&bt\\_9=&st\\_9=&bt\\_10=&st\\_10=&type\\_11=Exact&query\\_11=&type\\_16=Exact&query\\_16=&display\\_look=1&t=101650&s=1&submit\\_all=Search+Database](http://www.ngdc.noaa.gov/nndc/struts/results?bt_0=1980&st_0=2010&type_17=EXACT&query_17=170&op_12=eq&v_12=&type_12=Or&query_14=None+Selected&type_3=Like&query_3=&st_1=&bt_2=&st_2=&bt_1=&bt_4=&st_4=&bt_5=&st_5=&bt_6=&st_6=&bt_7=&st_7=&bt_8=&st_8=&bt_9=&st_9=&bt_10=&st_10=&type_11=Exact&query_11=&type_16=Exact&query_16=&display_look=1&t=101650&s=1&submit_all=Search+Database).

## The Role of Humanitarian Assistance and Disaster Relief (HADR)

A useful definition of HADR is provided by the ASEAN Regional Forum: humanitarian assistance “consists of activities conducted to relieve or reduce human pain and suffering, disease, hunger, or adversity created by conditions that might present a serious threat to life or that can result in great damage to or loss of property”; and disaster relief is the “emergency assistance provided to help ease the effects of natural disasters such as earthquakes or floods or manmade events such as pollution or conflict.” HADR encapsulates the sum of all of the actions taken by nations, NGOs, and international organizations.

Perceptions of a country’s international obligations also play a significant role in the approach to HADR. In the South Pacific region, Pacific islands look to their more developed neighbors, New Zealand and Australia, to provide assistance in times of disaster. Given the United States’ regional security presence and interests, the region also looks to the United States for assistance. An example is American Samoa, where the United States has an obligation to assist during disasters. The New Zealand public believes that the country has a moral responsibility to play the role of “good neighbour” and assist during a time of crisis.<sup>40</sup> The recent New Zealand Defence White Paper 2010 supported this view with its emphasis that New Zealanders and the wider international community “expect” it will be ready to respond to natural disasters and humanitarian crises.<sup>41</sup> Similarly, the United States bears a certain level of the expectation and global responsibility to be the lead provider for the global commons.

The United States is proud to try to live up to the expectation of the American public and the international community that, when possible, it will be a first responder to most of the world’s humanitarian disasters. However, to sustain that role and enhance effectiveness, the United States needs to leverage the expertise, resources, and will of its friends and allies. As such, both New Zealand and the United States have a common interest in effective arrangements being in place at home and in areas of special interest abroad for disaster preparedness, management, and recovery. There is a shared commitment to a “holistic” approach that places as much importance on broad-based contingency planning and post-incident human resilience and recovery responses as it does on preparations for dealing with the immediate aftermath of an event.

National militaries have traditionally been the first responders in the case of natural disasters, especially in countries where civilian disaster management units and infrastructure are inadequate. There is an urgent need to increase the capacity and structure of civilian infrastructure in dealing with natural disasters. One example is the unprecedented deployment of military forces and military assets required in support of humanitarian response in the 2004/2005 tsunami disaster the Indian Ocean and Andaman Sea impacting India, Sri Lanka, Thailand, and especially Aceh, Indonesia. This incident led policymakers and the public to realize that the degree of interdependency between the military on the one hand and civilian organizations such as NGOs and the relief community on the other in addressing large-scale disasters is significant.<sup>42</sup> Consequently,

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40. Unattributed interview with authors, December 2010.

41. New Zealand Ministry of Defence, *Defence White Paper 2010*, New Zealand Government, 18, <http://www.defence.govt.nz/pdfs/defence-review-2009-defence-white-paper-final.pdf>.

42. Of course, there was an overwhelming call from the international community for better and faster warning systems implemented through scientific research and coordination. Even with the advancements in science, however, such systems can only predict so much. For instance, during the 2009 Samoa disaster, the Pacific Tsunami Warning Center (PTWC) issued a tsunami warning 16 minutes after the earthquake hit. This was too late for many, since the tsunami arrived within 11-15 minutes at some of the hardest hit vil-

there has been a tremendous growth of civil society groups in the Asia Pacific engaged in HADR since the tsunami.<sup>43</sup> Such groups should be encouraged to coordinate planning and capacity building with government, and should be supported by New Zealand and the United States. This joint investment will complement the overarching “Oslo Guidelines” that specify the use of military and civil defense in disaster relief. Military and civil defense assets are complementary to existing relief mechanisms and used as a last resort. The guidelines emphasize that foreign military and civil defense assets should be requested only where there is no comparable civilian alternative to meet a critical humanitarian need. In 2007, the Oslo guidelines were updated to further reflect the increasing role of military forces in disaster response.<sup>44</sup>

There is growing recognition by militaries that HADR is a core part of their mission sets, and their competencies—speed, specialization, efficiency, effectiveness, and military resources—are critical assets in efforts to deal with the immediate and medium-term impacts and to “stop the bleeding” of large-scale disasters. For instance, the United States Pacific Command (PACOM) partnership readiness document emphasizes its vision to enhance “host-nation capacity on response-planning for humanitarian assistance, disaster relief, natural resource management, and maritime security” in the Oceania region.<sup>45</sup> Notably, the December 2010 New Zealand Defence White Paper comments that “our readiness to respond to natural disasters and humanitarian crises is something which New Zealanders and the international community expect.”<sup>46</sup>

## Conclusion

Humanitarian assistance and disaster relief interoperability between the United States and New Zealand is well under way and should be proactively enhanced. Investment in this area will help cement and extend bilateral ties, build confidence, institutionalize interoperability, and provide for the more efficient provision of public commons in the Asia Pacific, South Pacific, and globally. During the Samoa and American Samoa tsunami in 2009, the two countries quickly developed a common understanding of their areas of responsibilities, avoiding duplication and amplifying what each other was doing. More joint training programs and planning will further enhance such responsiveness and effectiveness.

The United States and New Zealand recognize the greater obligations demanded by the international community and placed on them with regard to HADR. They also are well aware of a large humanitarian gap in the Asia-Pacific region where the most at-risk communities do not have the capacity and infrastructure to deal with large-scale disasters.

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lages and many perished. During the most recent earthquake in Mentawai, Indonesia, the tsunami warning did not arrive in time as the PTWC was under maintenance. National Public Radio, “Did Tsunami Warning Reach Samoa On Time?” last modified September 30, 2009, <http://www.npr.org/templates/story/story.php?storyId=113352321>

43. Tom Millington, “The Rise of Global Civil Society: Building Communities and Nations from the Bottom Up,” *International Educator*, November/December 2010.

44. United Nations Office for the Coordination of Humanitarian Affairs (OCHA), “Guidelines on the Use of Military and Civil Defence Assets in Disaster Relief—‘Oslo Guidelines,’” Revision 1.1, November 2007, available at [http://www.reliefweb.int/rw/lib.nsf/db900sid/AMMF-6VXJVG/\\$file/OCHA-Nov2006.pdf?openelement](http://www.reliefweb.int/rw/lib.nsf/db900sid/AMMF-6VXJVG/$file/OCHA-Nov2006.pdf?openelement).

45. U.S. Pacific Command, *Strategy: Partnership Readiness Presence*, April 2009, [http://www.pacom.mil/web/pacom\\_resources/pdf/PACOM%20STRATEGY%2002Apr09.pdf](http://www.pacom.mil/web/pacom_resources/pdf/PACOM%20STRATEGY%2002Apr09.pdf). The term “Oceania” is used interchangeably with the term “South Pacific” in this document.

46. National Security and Defence, - New Zealand Defence White Paper 2010, e <http://www.defence.govt.nz/reports-publications/defence-white-paper-2010/chapter2-national-security-defence.html>.

## APPENDIX A

# ANTARCTIC EXPLORATION

Modern-day U.S. exploration of the South Pole began with the military mission Operation Deep Freeze (ODF) in 1957.<sup>1</sup> In line with the Antarctic Treaty System, the United States, New Zealand, and other signatories engaged in scientific research including glaciology, geophysics, meteorology, upper atmosphere physics, astronomy, astrophysics, and biomedical studies.<sup>2</sup> There has been extensive multilateral cooperation in terms of scientific exploration of Antarctica. This has been institutionalized as the Scientific Committee on Antarctic Research, or SCAR. It is a nongovernmental body that unites scientists of different fields and nationalities. It is rare that the scientific effort is exclusively a bilateral phenomenon. The United States Antarctic Program (USAP), a branch of the National Science Foundation, is the operating U.S. entity.

Cooperation between the United States and New Zealand began with Operation Deep Freeze, where the Christchurch International Airport served as a major base for U.S. Antarctic operations. The United States continues to use Christchurch as the launching point for its activities from McMurdo and South Pole stations. The U.S. research center, McMurdo Station, is located on the south of Ross Island.<sup>3</sup> New Zealand's Scott Base is two miles away, and because of this shared space, scientists from either country naturally coordinate research expeditions.

In January 2010, three new wind turbines were erected to power the research stations. In a joint logistics effort, New Zealand contributed \$7.4 million to grid upgrades. The wind farm can generate 1,000 kilowatts of energy, which powers about 15 percent of the total demand for the two research stations.<sup>4</sup> The remainder of their energy needs is covered by burning fossil fuels.

## Laboratory Antarctica

The most recent SCAR findings suggest that the ozone hole above Antarctica may heal, but temperatures on the continent could increase by 3°C as a result of greenhouse gases.<sup>5</sup> Climate change can contribute to a loss of ice in West Antarctica and could increase global sea levels by 1.4 meters.

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1. Although the U.S. military spearheaded operations and studies in Antarctica, by 1997 much of it had been transferred to the private sector.

2. Office of Polar Programs, National Science Foundation, "The Antarctic Treaty," <http://www.nsf.gov/od/opp/antarct/anttrty.jsp>.

3. Although New Zealand has claims over this territory as the Ross Dependency, it is not acknowledged according to the terms in the Antarctic Treaty.

4. Peter Rejcek, "Winding Up; New Wind Power Farm to Help Power U.S., New Zealand Research Stations in Antarctica," *The Antarctic Sun*, January 19, 2010, <http://antarcticsun.usap.gov/features/contenthandler.cfm?id=2014>.

5. Scientific Committee on Antarctic Research (SCAR), "Antarctic Climate Change and the Environment: Key Findings," [http://www.scar.org/publications/occasionals/ACCE\\_top\\_10\\_points.pdf](http://www.scar.org/publications/occasionals/ACCE_top_10_points.pdf).

However, climate change has yet to leave a severe impact on the ice shelves and sea ice, which presents a window for scientists to study the historical effects of global warming.

Antarctica's ice sheets are the world's best-kept records of the cycle of global warming and ice ages. There is an existing effort<sup>6</sup> in data mining in West Antarctica's ice sheet where condensed layers of snow document the change in air temperature, volcanic activity, atmosphere composition, and decaying rates of natural isotopes. Analysis of the air trapped in ice bubbles found here can help reveal the effects of gases in the atmosphere. Further analysis of ice molecules can provide more evidence of the Earth's natural warming cycles and man-made climate change.<sup>7</sup> However, the gradual melting of the ice sheets in West Antarctica will force researchers to expedite the data collection process. We stand to gain a deeper understanding of the relationship between atmospheric carbon dioxide and temperature.

## Opportunities for Cooperation

The interests of the United States and New Zealand are aligned in their investigation in the South Pole. More coordination is recommended in the West Antarctica Ice Core Project in data extraction of the ice core in West Antarctica. The implications of these findings will help comprehensively conclude the impact of climate change and emissions. Cooperation is urgent not only because of the political nature of the global warming debate, but also because scientists risk losing the data source completely if ice cores melt away. This coordination will have to come in the form of a directive from the National Science Foundation and increased funding.

The United States also has a stake in using cleaner energy in Antarctica and around the world. The construction of the wind turbines is a small step in the right direction.

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6. Ice core researchers from the United States are analyzing two ice cores, one from Siple Dome, Antarctica, and one from upslope of Byrd Station in West Antarctica. See Antarctic Connection, "Climate Change," <http://www.antarcticconnection.com/antarctic/science/climatechange.shtml>.

7. Ibid.

## APPENDIX B

# RENEWABLE ENERGY

New Zealand is a global paradigm for the use of renewable energy and conservation. Renewable energy plays a significant role in New Zealand's energy supply (figure 1). In 2009, 35.2 percent of the country's primary energy supply came from renewable sources. Of the total amount of electricity generated in 2009, 71.7 percent came from renewable sources (57 percent hydropower, 10.7 percent geothermal, 3.7 percent wind generation, and 0.3 percent biogas).<sup>1</sup> The remaining 28.3 percent came from nonrenewable sources, including gas, coal, and oil (figure 2). Historically, the main renewable sources in New Zealand have been hydro and geothermal power. Hydroelectricity is the backbone of New Zealand's electricity supply, much of it generated by large hydro dams such as Benmore, Manapouri, and Clyde.<sup>2</sup> The discovery of hydroelectric resources in New Zealand in the 1970s also served as a powerful economic counterargument against the establishment of a nuclear energy research program.

In 2001, New Zealand released its first national energy conservation strategy, which outlined the ground rules to increase its renewable energy supply. The strategy was most recently updated in July 2010 to align current needs and standards. The approach includes proper pricing mechanisms and a regulatory infrastructure that mandates the use of renewable energy. According to the latest strategy, New Zealand will continue to develop renewable energy resources and hopes to achieve 90 percent renewable electricity by 2025.<sup>3</sup> The New Zealand Energy Efficiency and Conservation Authority (EECA) is currently the main governmental organization supporting renewable energy industries with the development of quality standards for installation and accreditation schemes for installers. The main area for increased cooperation in the next three to five years will be to help develop clean energy technologies, policies, and financing mechanisms.

## Renewable Energy in the United States

In the United States, the Department of Energy oversees and promotes major advancement in clean energy (figure 3). The government's role is to spur innovation through targeted incentives and adjustments in the regulatory environment. In addition to the focus on efficiency, limiting the impact of climate change, and enhancing the environment, the United States is concerned about its dependency on foreign oil. The Energy Department's subagencies include the National

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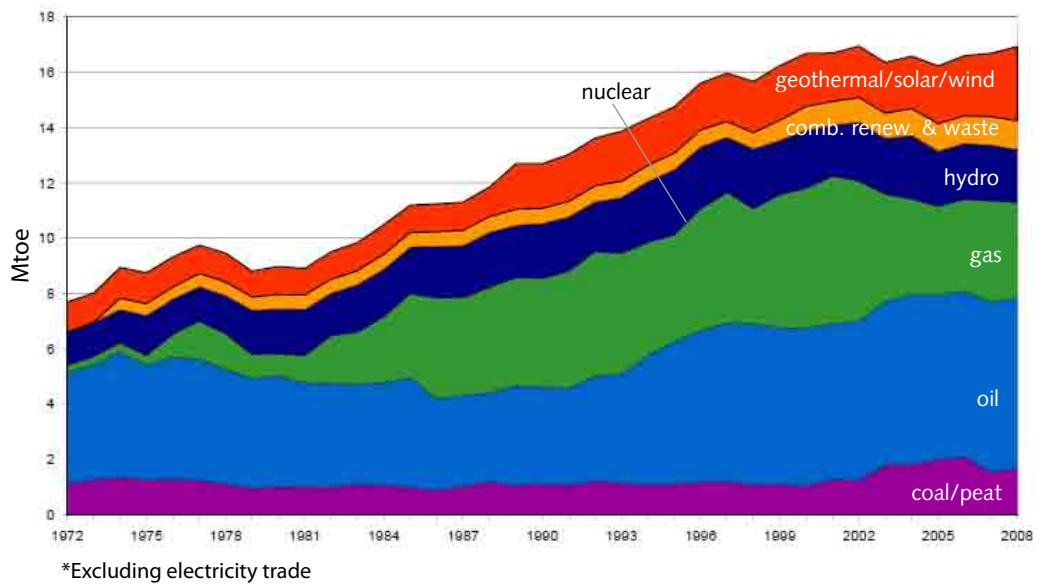
1. New Zealand Ministry of Economic Development, "Energy Data File," July 2, 2010, <http://www.med.govt.nz/>.

2. New Zealand Energy Efficiency and Conservation Authority, "Hydro Energy", <http://www.eeca.govt.nz/efficient-and-renewable-energy/renewable-energy/hydro-energy>.

3. Zealand Government, "Carbon neutral electricity by 2025," February 21, 2008, <http://www.beehive.govt.nz/speech/carbon-neutral-electricity-2025>.



**Figure 1. New Zealand Total Primary Energy Supply, 1972–2008**



Source: International Energy Agency (IEA) Energy Statistics.

**Figure 2. New Zealand Total Primary Energy Supply, 2009**

Energy Source	2009	
Renewable	Hydro	87.12
	Geothermal	122.94
	Other Renewables*	63.64
Non-Renewable	Coal	63.07
	Oil	277.34
	Gas	160.97
	Waste Heat	1.52
Total	776.60	
% Renewable	35.20%	

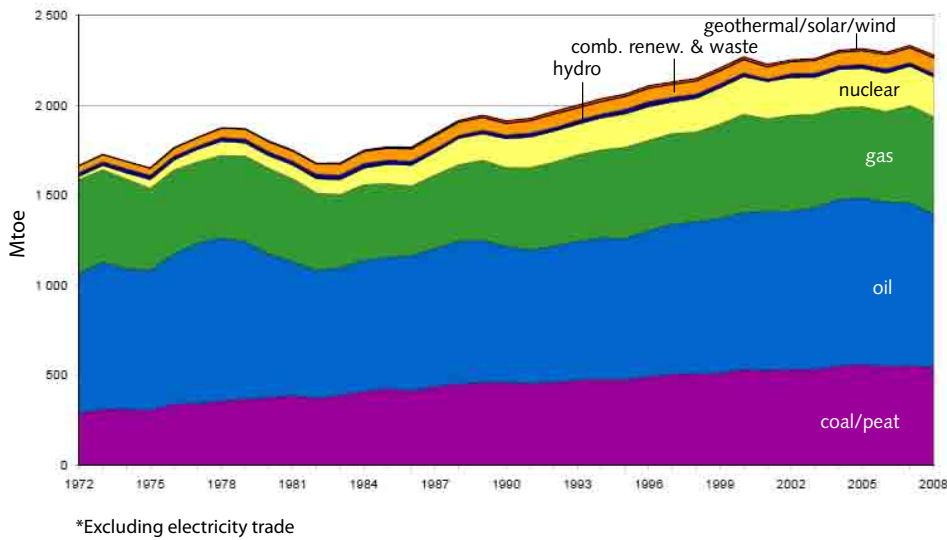
\*“Other Renewables” includes wind, bioenergy, and solar.

Source: New Zealand Ministry of Economic Development.

Note: Total Primary Energy is defined as the amount of energy available for use. Much of it is converted into other forms of energy before it is used.



**Figure 3. U.S. Total Primary Energy Supply, 1972–2008**



Source: International Energy Agency (IEA) Energy Statistics.

Renewable Energy Laboratory (NREL) and the Energy Efficiency and Renewable Energy (EERE) technology programs.<sup>4</sup>

Under the Obama administration, the United States has refined its goal toward developing a clean energy future. In March 2009, Obama announced his plans to spend \$59 billion from the American Recovery and Reinvestment Act and \$150 billion from the federal budget on developing clean energy.<sup>5</sup> Out of the \$59 billion, Obama included \$39 billion for projects at the Energy Department and \$20 billion in tax incentives for clean energy. His plan to invest would ultimately help create “more than 300,000 jobs and double the nation’s supply of renewable energy” in three years. In January 2009, the United States generated 27.8 gigawatts (GW) of renewable energy. The target for 2012 is to meet or exceed 55.6 GW.<sup>6</sup> This renewed goal in clean energy calls for international action and cooperation on sustainable development.

As of October 2010, renewable sources account for 11.14 percent of electricity in the United States, with biomass and hydropower as the leading sources of clean energy (figure 4). Biomass accounts for 4 percent or 11,000 megawatts (MW) of energy in the United States. It is a preferred source as it relies on plants sources, which are readily available across the continent and are more stable than wind or solar energy (figure 5). The Department of Energy has been committed to RD&D (research, development, and deployment) of bioenergy since 1968. Biofuels in the United

4. Other organizations include the American Council On Renewable Energy (ACORE), Environmental and Energy Study Institute (EESI), and Rocky Mountain Institute. These are nonprofit organizations that promote renewable energy sources.

5. William Branigin, “Obama Lays Out Clean Energy Plans,” *Washington Post*, March 24, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/23/AR2009032301350.html>.

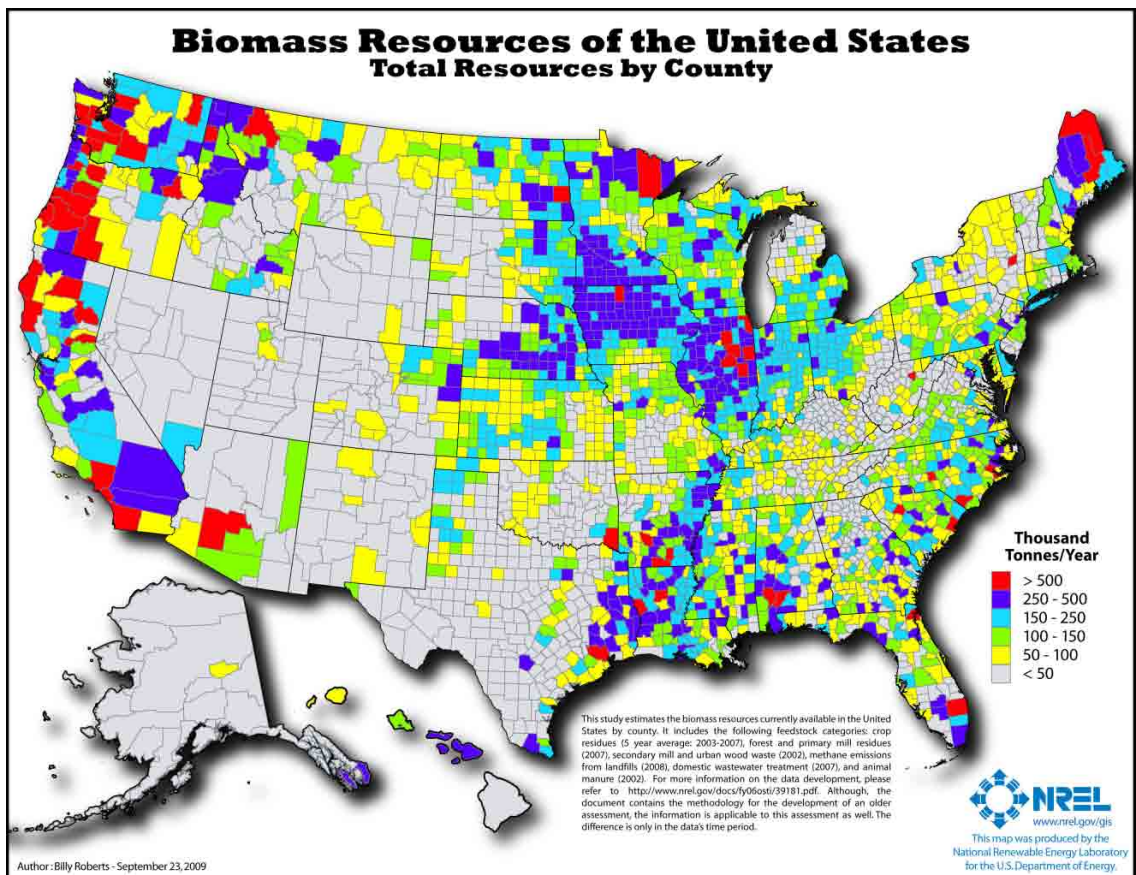
6. White House, “Progress Report: The Transformation to a Clean-energy Economy,” December 15, 2009, <http://www.whitehouse.gov/administration/vice-president-biden/reports/progress-report-transformation-clean-energy-economy>.

**Figure 4. Sources of Renewable Energy in the United States, 2010 (in percent)**

Source	Percent contribution
Biomass	50.66
Hydropower	32.56
Wind	10.91
Geothermal	4.53
Solar	1.32

Source: U.S. Energy Information Administration (EIA).

**Figure 5. U.S. Biomass Resources**



Source: U.S. National Renewable Energy Laboratory.

States typically come in the form of ethanol fuel that is derived from corn and other crops such as sorghum, potatoes, and wheat.<sup>7</sup> One bushel of corn can produce 2.8 gallons of ethanol and is used to oxygenate gasoline to reduce carbon monoxide from burning the fuel. The final product is a low-level blend that can be used in flexible-fuel vehicles (FFVs) (figure 6). The use of bioenergy has significantly reduced the amount of pollutants in the United States.<sup>8</sup>

In terms of solar power, Florida's DeSoto Next Generation Solar Energy Center stands out. This \$150 million project, owned by the state's electric power utility called Florida Power & Light (FPL), began construction in the last quarter of 2008 and began generating electricity in October 2009.<sup>9</sup> Its 90,000 photovoltaic panels will make it the largest photovoltaic solar power plant in the United States.<sup>10</sup> It is expected to generate 110 megawatts and power 3,000 homes, reducing the need for 277,000 barrels of fossil fuel and 7 billion cubic feet of natural gas for the state of Florida.

## Opportunities for Cooperation

The United States and New Zealand launched their renewable energy partnership when Andy Karsner, U.S. Department of Energy assistant secretary, and New Zealand's ambassador to the United States, Roy Ferguson, signed the International Partnership for Energy Development in Island Nations (EDIN) in July 2008. Along with Iceland, it is a three-way collaboration to assist island nations in setting specific and measurable clean energy targets, such as "providing 70 percent of primary energy from clean energy sources within one generation."<sup>11</sup>

There is ample space for cooperative action. A recent report by the Department of Energy underlines major benefits in large-scale offshore wind energy. This is an undeveloped sector of renewable energy that would be advantageous to New Zealand as an island-nation.<sup>12</sup> Offshore wind farms are widely used in Europe; they have untapped potential for the United States and New Zealand.<sup>13</sup> New Zealand operates 12 wind farms on land, providing roughly 500 megawatts and accounting for 4 percent of its total electricity generation, while American wind farms produce 35,000 megawatts or 2 percent of total U.S. electricity generation.<sup>14</sup> Offshore wind energy is a common field where partnership in research and development can be beneficial to both countries.

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7. "Frequent Questions," US Ethanol, <http://www.usethanolnw.com/faq.html>.

8. "Advanced Biofuels," I & E Biotechnology, <http://bio.org/ind/advbio/>.

9. Florida Power & Light Company, "FPL Prepares to Power Up Nation's Largest Solar PV Power Plant Facility This Month," October 7, 2009, <http://www.fpl.com/news/2009/10709a.shtml>.

10. The DeSoto Center will overtake the Nevada Solar One, in Boulder City, Nevada. It can generate 75 megawatts at maximum capacity. Florida and Light Company, "DeSoto Next Generation Solar Energy Center," October 7, 2009 <http://www.fpl.com/environment/solar/desoto.shtml>.

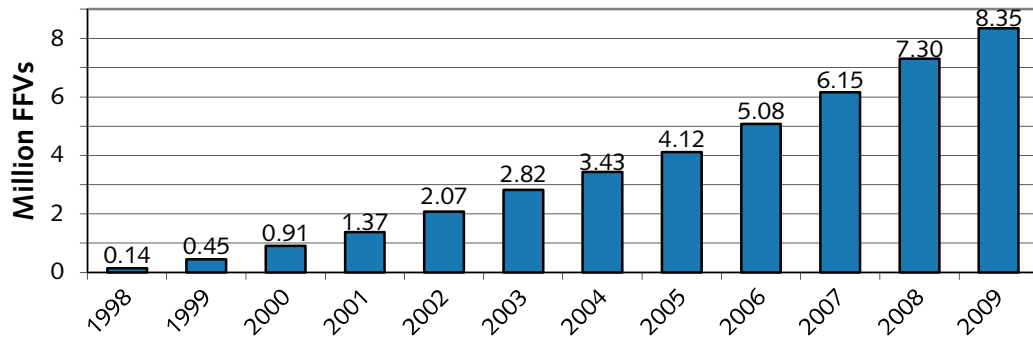
11. U.S. Department of Energy, "U.S. and New Zealand Take Steps to Launch International Partnership to Further Development of Clean Energy on Island Nations, Encourage Use of Renewable Energy Resources, U.S. Energy Efficiency & Renewable Energy," July 25, 2008, [http://apps1.eere.energy.gov/news/progress\\_alerts.cfm/pa\\_id=103](http://apps1.eere.energy.gov/news/progress_alerts.cfm/pa_id=103).

12. U.S. Department of Energy, "DOE Releases Report on Offshore Wind Power in the United States," October 7, 2010, [http://apps1.eere.energy.gov/news/daily.cfm/hp\\_news\\_id=268](http://apps1.eere.energy.gov/news/daily.cfm/hp_news_id=268).

13. Walter D. Musial and Bonnie Ram, "Large-scale Offshore Wind Power in the United States; assessment of opportunities and barriers," National Renewable Energy Laboratory, September 2010, <http://www.nrel.gov/docs/fy10osti/40745.pdf>.

14. New Zealand Wind Energy Association, "NZ Wind Farms," <http://windenergy.org.nz/nz-wind-farms/nz-wind-farms>.

**Figure 6. E85 Flexible-Fuel Vehicles in Use in the United States, 1998–2009**



Source: U.S. Energy Efficiency and Renewable Energy.

Expanding bilateral cooperation in renewable energy is a win-win proposition for the United States and New Zealand. Effective collaboration can result in the innovation of new technologies, expanding the sustainable use of renewable energy, and promoting the use of sustainable energy sources globally, particularly in developing countries where capabilities and regulatory models are needed to provide much-needed power, create jobs, and protect the environment.

## APPENDIX C

# NEW ZEALAND AND AMERICAN SOCIOCULTURAL PROFILES IN THE EARLY 21ST CENTURY

Both New Zealand and the United States have changed significantly since 1951 when the Australia, New Zealand, United States Security Treaty (ANZUS) was formed. In general, changes in social structure, demographic mix, and cultural norms have been more dramatic than in the spheres of politics and economics.<sup>1</sup> Indeed, when significant political changes have occurred, they have often been driven by social and cultural developments, as exemplified in the black civil rights movement in the United States, in New Zealand's Maori renaissance, and in the impact of feminism on shifts in gender roles in both countries.

A few examples will suffice to illustrate how profoundly the social and cultural character of both nations has changed since the mid-twentieth century—generally making the two societies more similar and more familiar to each other. In 1951, the United States was a country of some 150 million people, approximately 90 percent of whom were of European descent, and the only significant racial minority were African-Americans, many of whom had their voting rights implemented only as a result of the Voting Rights Act of 1965.<sup>2</sup> New Zealand's population of about 2 million was even more homogenous, with around 90 percent of British descent; and, although having legal rights as citizens, the indigenous Maori minority was accorded a far less prominent position in national life than is now the case.<sup>3</sup> There were almost no women or minority representatives in legislatures, and homosexuality was illegal in both countries. In effect, New Zealand and the United States were formal democracies with strong nominal commitments to egalitarian principles but with relatively conservative social mores.

Those two societies look very different today. The United States currently has an African-American president and a female secretary of state (the third woman to occupy that position), San Francisco is the unofficial gay capital of the world, and some 30 percent of Americans are classed in census terms as Hispanic or not “white” (mainly African-American and Asian).<sup>4</sup> In New Zealand, some 30 percent of the population is also now “non-white” (mainly Maori, Pasifika, and Asian);<sup>5</sup> and in recent years there have been Maori, Asian, and female governors-general, two fe-

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1. For an earlier assessment of social changes in the United States and New Zealand from the 1950s to the 1980s, see the relevant chapters in Richard W. Baker, ed., *Australia, New Zealand and the United States: Internal Change and Alliance Relations in the ANZUS States* (New York: Praeger 1991).

2. U.S. Census Bureau, “United States – Race and Hispanic Origin,” <http://www.census.gov/population/www/documentation/twps0056/tab01.pdf>.

3. T. Brooking and R. Rabel, “Neither British nor Polynesian, A Brief History of New Zealand's Other Immigrants,” in S. Greif, ed., *Immigration and National Identity in New Zealand* (Palmerston North: Dunmore Press, 1995), 39.

4. U.S. Census Bureau, “State & Country Quick Facts,” <http://quickfacts.census.gov/qfd/states/00000.html>.

5. See both current and projected Maori, Asian, and Pasifika proportions of New Zealand population at [http://www.stats.govt.nz/browse\\_for\\_stats/population/estimates\\_and\\_projections/NationalEthnicPopulationProjections\\_HOTP2006-26/Commentary.aspx](http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/NationalEthnicPopulationProjections_HOTP2006-26/Commentary.aspx).



male prime ministers, and openly gay ministers of the Crown in successive governments of different political stripes. Both New Zealand and the United States have roughly doubled in population over the last 60 years and continue to grow demographically at faster rates than most European countries, in part because of immigration. A telling symbol of how far both societies have moved in terms of shared social values is that an openly gay American ambassador to New Zealand (only the third in U.S. history) was sent to Wellington in 2009 and has made it his mission to engage visibly with the full range of New Zealand's diverse communities, especially through youth.

These parallel social and cultural changes are, in fact, part of a longer historic continuum. Since at least the mid-nineteenth century, New Zealand and the United States have shared a similar historical trajectory as dynamic, modernizing settler societies, which have at various times been globally significant sites of social and cultural innovation. The arguments for the twentieth century being the "American century" did not rest simply on the economic, political, and military prowess of the United States but on its influence as a social trendsetter, on the arresting alchemy of its multiethnic "melting pot," and on the increasing global reach of its popular culture. Perhaps more remarkably for its size, New Zealand was dubbed "the social laboratory of the world" in the 1890s (when some Americans even used "New Zealandization" as a synonym for social reform) and arguably held a similar status as a very different laboratory for economic reform almost a century later in the 1980s.<sup>6</sup>

## The United States and New Zealand

### Vibrant, Multicultural Democracies with Strikingly Similar Sociocultural Profiles

Although the pace and particulars of social and cultural transformation over the past century have varied in New Zealand and the United States, there has been a general convergence, so that today both are vibrant, multicultural democracies with strikingly similar sociocultural profiles, notwithstanding differences of population size and geography. There is thus a compelling argument that the enduring bedrock of the bilateral relationship will remain the shared values of tolerance, openness, and acceptance of diversity, which distinguish our two nations in a world where these values are not universally embraced. Arguments over specific trade issues or foreign policy stances will wax and wane, but these shared values will endure.

## Social Issues of Today and Tomorrow

Of course, both societies will continue to experience significant changes in coming years, especially in terms of common challenges associated with the changing dynamics of ethnocultural mix, gender roles, socioeconomic inequality, and aging populations. Both are increasingly attuned

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6. For the impact of New Zealand reform on the Progressive-era United States, see Peter Coleman, *Progressivism and the World of Reform: New Zealand and the Origins of the American Welfare State* (Lawrence: University of Kansas Press, 1987). For differing perspectives on the "New Zealand Experiment" of the 1980s, see "Can the Kiwi Economy Fly?" *Economist*, November 30, 2000; Jane Kelsey, *The New Zealand Experiment: A World Model for Structural Adjustment* (Auckland: Auckland University Press, 1995); Colin James, *The Quiet Revolution* (Wellington: Allen & Unwin New Zealand Ltd in association with Port Nicholson Press, 1986).

to the Asia-Pacific region—usually for economic, political, and security reasons, but the social and cultural dimensions of this engagement are bound to carry more significance in the future, especially in light of growing Asian populations in both countries. Despite formal commitments to tolerance and diversity, both face challenges in coping with the inevitable tensions that arise in multiethnic and multicultural settings, especially when discrepancies in income and achievement align with differences in race, ethnicity, and socioeconomic background, as they do in two societies that have both experienced widening levels of inequality in recent decades.

It is also important to note that many of the similarities in social and cultural profile are part of wider trends in developed societies, especially in the English-speaking world and in much of Europe. Neither New Zealand nor the United States faces unique challenges in grappling with issues such as “diversity,” interfaith dialogue, secularism, shifting gender roles, gay rights, or aging populations. Such issues transcend national boundaries and are common features of social reality around the world, especially in the so-called West. Globalization is not only an economic and political process, but has far-reaching social and cultural implications. This obvious reality raises the question of whether in a globalized world there is any value in encouraging bilateral engagement in social and cultural spheres.

## Opportunities

In fact, there is considerable value. Enhanced bilateral social and cultural links offer both New Zealand and the United States the opportunity to engage with a like-minded society in building on shared democratic values to tackle common challenges. Much of this interaction may be comparable to that between these societies and others (for example, Australia) and may not carry particular bilateral distinctiveness, but that only underlines the broader utility of such engagement. The key element is that, by building on common values and a shared past (especially as English-speaking democracies), New Zealand and the United States will be engaged in a common quest not only to learn from each other but to champion more widely the benefits of developing cultural and social spaces that can accommodate diversity and tolerance.

As both nations actively embrace policies and practices in other spheres of national endeavor that focus on the Asia-Pacific region, it becomes more imperative that the social norms considered integral to our own successes as multicultural democracies are fully on view—not to be imposed on others, but as models to be judged on their merits. It is invariably more effective to exercise influence through the soft power of social and cultural emulation than through the application of military or political pressures. In today’s world any bilateral relationship must take account of both partners’ multilateral links; and, in this context, a greater emphasis on social and cultural interaction between New Zealand and the United States will serve both nations’ wider engagement with other societies in the Asia-Pacific region.

Consequently, enhancement of the already strong and positive sociocultural links between New Zealand and the United States should be used creatively to strengthen and complement political, diplomatic, and economic relationships. One way of doing so is to have more focused bilateral engagement around key social policy challenges confronting both societies, such as the implications of aging populations; devising fair and effective policy responses to rising inequality; improving public health systems while containing ballooning costs; and addressing the unequal educational performance of different groups (including the looming gap between male and female attainment). In particular, there is much to be gained for New Zealand by drawing more actively



on the Maori and Pasifika dimensions of national life to promote dialogues with relevant interlocutors in the United States on issues relating to the place of indigenous and Pacific peoples in both societies. In the sphere of cultural production, there is already the thriving nexus between Hollywood and “Wellywood,” which illustrates how valuable it is for New Zealand to nurture, celebrate, and extend the many forms of cultural, artistic, and intellectual collaboration that exist between the two countries.

In discussing any sociocultural relationship, another consideration is the changing meaning of national identity in a globalized world, especially for former settler societies. What does it mean to be a “Kiwi” or an “American” within the rich and complex mosaics that constitute our multicultural societies today when so many Aucklanders speak Maori, Samoan, or Mandarin in their homes and when so many Angelenos speak Spanish, Korean, or Filipino with their families? The ongoing parallel processes of forging diverse peoples into New Zealanders and Americans merit attention in their own right as a noteworthy feature of the bilateral relationship insofar as they are occurring in very different and more consciously multicultural contexts than was the case historically in either country. These processes throw up fascinating questions for comparative analysis that should be drawn on to understand our intertwined Pacific futures.

After all, how can policymakers and commentators sagely refer to the importance of political, military, economic, and diplomatic links in advancing “our” common interests without thinking about who exactly “we” are in both cases, given the diverse sociocultural components that constitute contemporary New Zealand and American nationhood? While often conveniently elided by policymakers, this fundamental issue of the changing meaning of national identity in a globalized arena will require increasing attention, especially in terms of both countries’ burgeoning trans-Pacific partnerships. By paying more attention to this factor in studies such as this one, it becomes possible to take a more nuanced approach to the complex interdependence, which is already the dominant reality in the Asia-Pacific region, rather than accepting outdated or simplistic models that emphasize national rivalries and competition as the leitmotif of the world’s most dynamic region.

Finally, it is worth recalling the wise Maori aphorism about people: *He aha te mea nui o te ao? He tangata! He tangata! He tangata!* “What is the most important thing in the world? It is people! It is people! It is people!” People-to-people links are ultimately the most important drivers of interaction between societies. In the case of New Zealand and the United States, these are already too extensive to summarize readily, with thousands of individuals from each country visiting, studying, and living in the other country as well as connecting daily with the other society in numerous ways such as through the Internet. For the most part, in two such vigorously democratic societies, there is no need for governments to direct people-to-people contacts because most will happen spontaneously. It is more critical to ensure that these multiform links that lend so much substance to the relationship continue to flow naturally and that no unnecessary barriers are erected to the intensification of people-to-people contacts.

## APPENDIX D

# SPORTS DIPLOMACY

A feature of American and New Zealand cultures is a deep and abiding love of sports, especially contact sports. Rugby is New Zealand's national sport. It is also the father of American football, the most-watched game in the United States. Rugby is now an international sport and a version of the game called Sevens was recently added as an Olympic sport.

Sports can capture the imagination of populations and provide support and energy for a broader political relationship. In the case of the United States and New Zealand, ties are already very warm, but sport could help further develop positive ties among people in both countries. While rugby is used as an illustration of sports diplomacy in this report, it does not preclude other sports from furthering this aspect of people-to-people endeavour, as the United States and New Zealand cricket authorities agreed to do in December 2010.

## Rugby as a Brand and Unifier

Rugby was invented at the Rugby School in England 187 years ago.<sup>1</sup> American football is derived from the same game. Players, coaches, and fans can come together in mutual excitement and healthy rivalries to build ties. Rugby is part of New Zealand's international brand. Its national team, the All Blacks, is an international sports phenomenon. Nearly all New Zealanders have some personal linkage to their national game, and more and more Americans are getting interested in the sport.

The first Rugby World Cup was cohosted by New Zealand and Australia in 1987 where New Zealand took home the championship. The trophy is contested every four years and the tournaments have become among the world's most popular sports, with attendance and viewership increasing every year. In 2011 the Rugby World Cup will return to where it all began in New Zealand. Professional and competitive rugby is relatively young when compared to other sports. After 1924, the International Olympic Committee (IOC) dropped rugby union as an Olympic sport due to conflicts with International Rugby Board (IRB) regulation. However, a shorter version of rugby union, rugby sevens,<sup>2</sup> was recently approved by the IOC and will be played at the 2016 Summer Olympics in Rio de Janeiro.<sup>3</sup> Rugby is fast gaining popularity around the world, as the IRB has seen a surge in viewership of the Rugby World Cup. It is the sport's most popular and commercially successful event.

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1. "Origin of Rugby," RugbyFootballHistory.com, <http://www.rugbyfootballhistory.com/originsofrugby.htm>.

2. Rugby sevens is different in that there are 7 players for each team instead of the usual 15.

3. "Golf and Rugby Voted into Olympics," *BBC Sport*, October 9, 2009, [http://news.bbc.co.uk/sport2/hi/olympic\\_games/8292584.stm](http://news.bbc.co.uk/sport2/hi/olympic_games/8292584.stm).

The first game of rugby union was played in New Zealand in 1870.<sup>4</sup> To Kiwis, rugby is more than a sport; it is a 140-year-old tradition that has lived in their hearts and minds. When New Zealand's national team encounters defeat, it is deeply felt. Today, the All Blacks top the international rankings, while the United States ranks 15th.<sup>5</sup>

## Challenges

Although basketball, American football, and baseball are the most popular sports in the United States, during their heyday the American rugby team were celebrated Olympians. The Eagles won gold medals in 1920 and 1924. Rugby experienced a flood of interest in the 1960s, and United States of America Rugby Football Union (USA Rugby, or USAR) was founded in 1976. Based in Boulder, Colorado, the institution is responsible for administering the United States' national team, collegiate competition, and leagues around the country. The Union established competitive college-level rugby in Divisions I, II, and III of the NCAA and improved the status of the Eagles. USA Rugby has more than 80,000 registered members and continues to grow,<sup>6</sup> although it has also run into problems.<sup>7</sup>

Despite these difficulties, there is commercial interest in promoting this sport.<sup>8</sup> ESPN vice president Jeroen Oerlemans said the network responded to the “[increasing] appetite and interest in rugby across the world” by obtaining permission to broadcast the Rugby World Cup archive and the 2011 tournament, while Hollywood featured the Rugby World Cup in the 2009 film *Invictus* with Matt Damon and Morgan Freeman.<sup>9</sup>

## Current Partnerships

In 2008, a memorandum was signed between the U.S. and New Zealand rugby unions providing increased New Zealand involvement in the promotion of the game in the United States.<sup>10</sup> American coaches and referees were to be given training at no cost. The memorandum was announced with much fanfare; however, the effort declined and the level of support has lost some momentum.

Although Americans must take initiative in improving their own domestic game, assistance from New Zealand would be most welcome. There are some positive examples that might be built on. For instance, the New Zealand ambassador to the United States has hosted a rugby development program called the Ambassador's Shield focusing on developing rugby skills, talent, and enthusiasm in a Washington, D.C., high school in an economically challenged part of the city. The tournaments, scheduled on November 14, 2010, featured men's, women's, golden oldies, and youth rugby.<sup>11</sup>

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4. The International Rugby Board (IRB) was founded in 1886 and currently has 96 members and regulates and organizes international competition.

5. “Statistics for Men's International Rugby Union,” Rugbydata.com, <http://www.rugbydata.com/table/30>.

6. “Unions: USA,” International Rugby Board, <http://www.irb.com/unions/union=11000012/index.html>.

7. Ed Hagerty, “View from the Sidelines: Failure of Leadership,” *Rugbymag.com*, August 16, 2010, <http://www.rugbymag.com/magazine/current-issue/view-from-the-sidelines-failure-of-leadership.aspx>.

8. “On public interest in soccer and rugby's business prospects,” *Gainline.us*, <http://www.gainline.us/gainline/2010/09/on-public-interest-in-soccer-and-rugbys-business-prospects.html>.

9. Nick Leys, “Matt Damon Takes Rugby Union to Hollywood,” *The Sunday Telegraph*, March 15, 2009, <http://www.dailytelegraph.com.au/news/damon-tackles-rugby-in-flick/story-e6freuy9-111119134336>.

10. “US Eagles Get Kiwi Boost,” *Planet Rugby*, January 30, 2009, [http://www.planetrugby.com/story/0,25883,3896\\_3091722,00.html](http://www.planetrugby.com/story/0,25883,3896_3091722,00.html).

11. “Ambassador's Shield,” <http://www.ambassadorshield.com/index.html>.

# Opportunities

Rugby has its place in American culture as well. Former U.S. presidents John F. Kennedy, Bill Clinton, and George W. Bush played during and after their college years. Clinton played the position of lock during his time in England at Oxford University, while Bush was a fullback at Yale's 1st XV. President Kennedy, his brother Joseph, and his chief of staff, Ken O'Donnell, played rugby for Harvard.<sup>12</sup> Most American universities now have rugby teams, whether varsity or club. High schools are also developing the game and it is well entrenched at the club level outside of educational institutions. Still, U.S. rugby could learn from the New Zealand Rugby Union (NZRU).

New Zealand support for the development of American rugby is welcome and clearly an aspect of potential "soft power" for New Zealand. Programs such as the Ambassador's Shield could be replicated by a series of New Zealand "rugby ambassadors" across the country. Technical assistance, training, and guidance on governance from the NZRU to USAR would also be welcome and appreciated.

Since 1967, Wellington's rugby clubs have contested the American Ambassador's Cup in an annual rugby sevens tournament. The original cup was presented by John F. Henning, then ambassador from the United States to New Zealand. In 2010, U.S. ambassador David Huebner presented a new American Ambassador's Cup to the Wellington Rugby Union to be awarded to the winner of the 2011 tournament, thus continuing the long-standing tradition of an American connection with rugby sevens in Wellington.<sup>13</sup>

One high-profile way to highlight New Zealand's role and build excitement would be to conduct an All Blacks Tour of the United States, organizing U.S.-New Zealand outreach events at key venues and building support for other aspects of the relationship around the visit. This might include building relations with state governors, outreach to premier U.S. educational institutions, linkages to the business community through sponsorships, and helping to enhance New Zealand's brand in the United States.

## Growth of the Rugby World Cup

Year	Match attendance (million)	Global viewership (billion)	Gross income (million)	Net surplus (million)
1987	0.6	0.300	\$5.27	\$1.5
1991	1	1.75	\$37.72	\$6.5
1995	1	2.67	\$48.43	\$28.31
1999	1.75	3.1	\$111.9	\$75.6
2003	1.8	3.4	\$130.7	\$103.0
2007	2.2	4.2	\$ 247.0	\$195.6

Source: "Rugby World Cup History," Rugby Football History, [http://rugbyfootballhistory.com/world\\_cup.htm](http://rugbyfootballhistory.com/world_cup.htm).

12. "Famous Ruggers," Rugby Reader's Review, <http://wesclark.com/rrr/famous.html>.  
 13. "USRugbyNZ.com," January 19, 2011, <http://blogs.newzealand.usembassy.gov/ambassador/tag/sevens-rugby/>.

## APPENDIX E

# WELLINGTON DECLARATION ON A NEW STRATEGIC PARTNERSHIP BETWEEN NEW ZEALAND AND THE UNITED STATES

New Zealand and the United States are both Pacific nations. Our governments and peoples share a deep and abiding interest in maintaining peace, prosperity and stability in the region, expanding the benefits of freer and more open trade, and promoting and protecting freedom, democracy and human rights worldwide. We recall the long history of shared United States and New Zealand sacrifice in battle and we honor those, past and present, who have borne that sacrifice.

As we look to the challenges of the 21st century, our shared democratic values and common interests will continue to guide our collective efforts.

The United States-New Zealand strategic partnership is to have two fundamental elements: a new focus on practical cooperation in the Pacific region; and enhanced political and subject-matter dialogue—including regular Foreign Ministers’ meetings and political-military discussions.

We resolve to further our two nations’ joint cooperation in addressing broader regional and global challenges, such as climate change, nuclear proliferation and extremism.

We resolve also to develop new joint initiatives that confront the challenges faced by the Pacific. Particular areas of focus are to include renewable energy and disaster response management. We recognize that climate change adaptation in the Pacific is also a priority for both countries and is an issue to which the United States and New Zealand are committed. We intend also to work closely to enhance dialogue on regional security issues.

We endeavor to develop deeper and broader people-to-people ties between the United States and New Zealand, encouraging innovation and expanding our commercial and trade relations, building on the creativity and rich diversity of our societies.

To ensure the broadest participation of our citizens in strengthening the relationship between our two nations, we should focus efforts across our societies, including women, youth, minorities and future leaders.

We are dedicated to working together to address trade, security and development issues through APEC, the East Asia Summit, the United Nations, and other regional and multilateral institutions.

Our goal is a partnership for the 21st century that is flexible, dynamic, and reflects our fundamental beliefs and aspirations.

Signed at Wellington, in duplicate, this 4th day of November, 2010.

For New Zealand:

**Murray McCully**  
*Minister of Foreign Affairs*

For the United States of America:

**Hillary Rodham Clinton**  
*Secretary of State*

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Source: New Zealand Ministry of Foreign Affairs and Trade, <http://www.mfat.govt.nz/Media-and-publications/Features/665-Wellington-declaration-on-new-NZ-US-partnership.php>; U.S. Department of State, <http://www.state.gov/r/pa/prs/ps/2010/11/150401.htm>.

## APPENDIX F

# ROSTER OF PARTICIPANTS

### Washington, D.C., Seminar, October 27, 2010, and Wellington Seminar, November 22, 2010

**Muthiah Alagappa**

*East-West Center*

**Therese Arseneau**

*University of Canterbury*

**Rob Ayson**

*Victoria University of Wellington*

**John Ballingall**

*New Zealand Institute of Economic Research*

**Suzanne Bertrand**

*New Zealand Ministry of Research  
Science and Technology*

**Danie Beukman**

*New Zealand Ministry of Foreign Affairs and  
Trade*

**Jim Bolger**

*NZ-US Council*

**Joseph Bosco**

*Center for Strategic and International Studies*

**Ernest Bower**

*Center for Strategic and International Studies*

**Alasdair Bowie**

*George Washington University*

**Meredith Broadbent**

*Center for Strategic and International Studies*

**David Capie**

*Victoria University of Wellington*

**James Clad**

*National Defense University*

**Robert Clarke**

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