



Indian Council of World Affairs

Sapru House, Barakhamba Road

New Delhi

Report

on

**India-New Zealand Track II Dialogue
(NZIRI & ANZF)**

at

Sapru House, New Delhi

24 November 2014

The India-New Zealand Track II dialogue was organised by ICWA on November 24th, 2014 at Sapru House. The Dialogue was divided into four sessions; the panellists consisted of delegates from New Zealand-India Research Institute (NZRI) and Asia-New Zealand Foundation (ANZF), scholars from the University of Wellington, Delhi University and Jawaharlal Nehru University, and Research Fellows of the Indian Council of World Affairs.

Inaugural Session

Ambassador Rajiv K. Bhatia, the Director General of ICWA welcomed the participants of the India-New Zealand Track II Dialogue. He mentioned that the idea to initiate a dialogue between India and New Zealand came during a lunch meeting with Professor Sekhar Bandyopadhyay, Director of NZRI the previous year. He mentioned that with the commencement of the new Government, the foreign policy has become a centre of enhanced and prolonged attention with Asia-Pacific being the centre of Indian engagement abroad. Hence, it was a very good time for a dialogue like this to take place.

He ended his welcoming remarks by outlining the proactive phase of ICWA, complimenting and congratulating NZRI and ANZF for their dialogue on International Relations, and stated that it was a rare occasion to listen to the New Zealand voice on global and regional issues.

In his address, Sekhar Bandyopadhyay, Director of NZRI, briefly introduced the foundation of NZRI. He talked about how India-New Zealand relations should focus on the Free Trade Agreement, the talks of which did not commence after June, 2013. He ended his remarks on a positive note, stating that India-New Zealand relations might have a better, brighter future since PM Modi visited Australia and Fiji, which highlighted his interest in the Pacific Island.

In her address, Adele Mason, Acting Executive Director of ANZF, introduced the organisation (ANZF) and the kind of work it has done so far and is engaged in presently. She mentioned that the main focus of the organisation is to have better economic cooperation

with Asia and focus on the growth of New Zealand-India relations. She also talked about the Young Leaders Programme of the organisation where young scholars study Asia-New Zealand relations. The young leader programme was also initiated in India.

In his address, the High Commissioner of New Zealand said that there is a lack of awareness and knowledge about New Zealand in India and it is necessary to bridge that gap and strengthen ties between NZ and India. He ended his remarks by highlighting the various engagements and interests that India and New Zealand can undertake together.

The vote of thanks was delivered by Dr. Indrani Talukdar, Research Fellow, ICWA.

Session I

Geopolitics of the Asia- Pacific region, including maritime security

The moderator of this session was Ambassador Veena Sikri. The panellists were Professor Sujit Dutta, Jamia Millia Islamia University and Dr. Paul Sinclair, Senior Fellow, CSS, VUW (NZ).

Ambassador Veena Sikri opened the session, highlighting the important point that the geo-political power has shifted from the Atlantic to the Asia-Pacific. According to her, this geo-political region has become very important and three important aspects of this region, namely trade, energy and security have to be carefully scrutinised. She also talked about another important aspect of this region, which is the role of and potential for regional cooperation. The solution lies in finding areas of mutual interest in trade, security and energy for successful interaction among different regional cooperation forums.

The first panellist, Professor Sujit Dutta started the session by mentioning that New Zealand is a distant partner of India. However, he said, with the new government in place, a major push has been given to strengthen India's relationship with the Asia-Pacific region. He talked about the growing economy of the Asia Pacific, which has posed important geo-political challenges that are vital for global security. He said that, from an Indian perspective, the Asia-Pacific is very important in terms trade relations; hence, shaping

political relations is fundamentally important. He said that the Asia-Pacific region has a structure of independence when it comes to trade, however, at the same time, the region is facing a lot of strain because of the rise of China.

The rise of China has influenced the foreign policy and security, leading to the restructuring of global security. He mentioned the overarching problems of China, like the problems of the South China Sea, Senkaku Island, cyber security threat and so on. He said that, from an Indian perspective, India's maritime interest lies in keeping the Indian Ocean secured and India needs to play a proactive role in deepening relations between East Asia and the Asia Pacific. He concluded by mentioning that it is important for India to contain China's rising nationalism and make China a peaceful player in the global scenario.

The second panellist, Dr. Paul Sinclair started his presentation by talking about the economic and strategic policy shifts from US to China. According to him, China is still not a Super Power because of its incapability to form strong regional cooperation. However, China is rising by leaps and bounds with a robust military power and more purchasing power parity than the US and the US's influence appears to be waning.

Dr. Sinclair mentioned about certain merits of China's peacekeeping policies, but also highlighted China's aggressive agenda, giving examples of the South China and East China Seas. He talked about China's proposition to take a leading role in the regional security and growing scepticism in the region. He said that a stable relationship between China and US is fundamental for the region's economic prosperity. However, cooperation is hampered from both sides. He then talked about how different countries like Japan, India and Russia are becoming more muscular with better equipped military, defence and security and uplifting their profiles in the region in order to respond to China's rise.

He concluded by stating that China is rapidly growing, but how China tackles its domestic issues will greatly influence the geo-politics of the region.

The moderator then talked about how US-China conflict should not be the only issue, while talking about the geo-politics of the Asia-Pacific region. Other factors, such as shared interests and synergies of India and New Zealand to strengthen their relationship should be discussed and sea links of communication should be opened. Also, ramification of fundamentalist organisations and Islamic states coming together are other important things to discuss.

The floor was then opened to questions and comments. The questions and comments were mostly pointed towards China's rise, the security structure in the Asia Pacific region and the role of other countries to balance China's rise in power. The session ended with the panellists talking about the possibility of a peaceful Asia by creating a regional security structure instead of focussing on what is happening between US and China. It is left to the countries in Asia to find a balance in their relationships with these two countries.

Session II

Multilateralism in Indo-Pacific

The moderator of this session was Ambassador Brian Lynch, Senior Fellow, CSS VUW and the panellists were Dr. Pankaj Jha, Director Research, ICWA and Manjeet Pardesi, Lecturer, International Relations (NZIRI).

The moderator opened the session with a remark that it is not possible to separate the Asia-Pacific region and the countries surrounding the Indian Ocean.

Dr. Pankaj Jha stated in his presentation that the grouping of countries was a legacy of the Cold War. Security was a primary concern for these regional organisations in the past. However, in recent years, the competition for resources has compelled countries to form multilateral organisations so as not to fall behind in global trade. The parameter for the Indo-Pacific security is not well defined as of yet, and there is also the need to address mountainous security issues.

India is likely to become a proactive actor in all these forums, like the APEC and ASEAN and it has been looking for dialogue partners. It is also curious to know how the Trans Pacific Partnership (TPP), Free Trade Agreement (FTA) will shape up in the future and what the future of Indo-Pacific will look like.

Manjeet Pardesi started his presentation talking about the disagreement on multilateralism in Asia Pacific. He gave a brief history of New Zealand's interest in Asia, which was basically ASEAN-centric. He then stated that in the institutional sense, there is no Indo-Pacific and it is not clear how India and New Zealand can engage in sub-regional institutions and how they can engage in the maritime security. He added that New Zealand wants to actively get engaged in regional institutions, but asked the question – if India's Act East Policy focuses on countries like Japan, Korea, etc., then where does New Zealand fit in that policy?

Ambassador Rajiv K. Bhatia then responded to Mr. Pardesi's presentation saying that there is no national consensus on the understanding of the concept of the Indo-Pacific. At best, it can be described as an intellectual tool to judge and understand as to what is happening in the region. He added that Indian scholars are very keen to understand New Zealand's world view and in what fashion New Zealand is different from Australia of today. He also explained the government's Act East Policy, which stemmed from the Look East Policy, calling it a more action oriented approach where credibility issue is taken seriously and digital connectivity rather than infrastructural connectivity is given more importance. He also talked about the policy's geographical coverage that will expand beyond the ASEAN, covering New Zealand. According to him, debates on the terminology of Indo-Pacific should be avoided and possibilities of bringing India and New Zealand together and strengthening their relation should be probed into.

Ambassador Brian Lynch then put forward his comments stating that the dimensions of security are changing and, hence, different countries need to be engaged and deeply integrated. Therefore, India and New Zealand relations will be shaped by mutual interests,

not just by the questions of Pacific or Indian Ocean. According to him, it is the lack of active dialogue that weakens India-New Zealand relations rendering the countries distant. Soft Power diplomacy between the two countries should also be looked into to enhance the engagement between the two countries. He concluded by saying that India and New Zealand should not be concerned with who is excluding whom, but the focus and concern should be more on which regional organisation to join in order to bring about a positive change in the region.

Dr. Bandyopadhyay also put forward his remarks by stating that it was only in the 1990s when there was a major shift in New Zealand's foreign policy as well as its social and cultural policy. It was in the 1990s that New Zealand very decisively moved towards reinventing itself as a part of Asia without giving up its Western identity. Since then, New Zealand has been deeply enmeshed in what goes on in the Asia-Pacific.

Session III

Policy Shifts in India and New Zealand under the New Government

The moderator of this session was Ambassador Yogendra Kumar. The panellists were Professor Asmi Raza from Delhi University and Ambassador Brian Lynch, Senior Fellow, CSS, VUW.

The moderator, Ambassador Yogendra Kumar talked about the new approaches to the Indian foreign policy under the new government. He talked about Prime Minister Modi's personality at length. He set the session into motion by saying that India and New Zealand have divergent ideas, but there are common themes wherein both the countries should be involved.

The first panellist, Prof. Asmi Raza said that with Prime Minister Modi in power, there is a drastic change in the foreign policy of India with greater importance on economic prospects. According to him, with the economic component, political relations can also be

strengthened. India's new policy is going to change now with the comparative East theory. And liberalisation, privatisation and globalisation will become very important in the new foreign policy. Certain advantages that India has, according to him, are the population dividend and its public sector, which saves the economy from being dependent only on market policies.

He then talked about the major contention between India and New Zealand which is the 34 per cent tariff on things imported from New Zealand. In his view, the Free Trade Agreement between the two countries will really help to overcome this constraint. He also added that India can learn from New Zealand's modern agricultural technology and achieve food security.

Ambassador Brian Lynch started his presentation highlighting New Zealand's dilemma of continuing a secluded form of South Pacific existence or taking another destiny, which is seeing itself as a part of Asia. New Zealand resorted to the latter. Ambassador Lynch talked about New Zealand's economic partnership with countries like Hongkong, Taiwan and South Korea and its active trade engaged policy, which has become very successful. Ambassador Lynch also talked about New Zealand's attempt to form a strong profile in the international order in order to register its presence, show its opinions and concerns and share its ideas and be respected.

According to him, when it comes to trade point of view, India is seen as a black hole and an FTA between the two countries is a way of strengthening and enhancing trade links. He concluded his presentation by saying that New Zealand's perspective is that a small country can make progress by working in partnership with other countries; hence, it works in close cooperation with a number of small countries like Lithuania and Venezuela and also other Pacific and ASEAN countries.

The floor was then opened to questions and comments, which mostly concentrated on considerable bilateral scope for trade and services to expand between the two countries.

Session IV

The moderator of this session was Ms Adele Mason, Acting Executive Director, ANZF. The panellists were Professor GVC Naidu, JNU; Prof. Sekhar Bandyopadhyay, Director, NZIRI; Dr. Rahul Mishra, RF, ICWA; and Kate McMillan, Senior Lecturer, Politics, VUW.

Professor GVC Naidu started his presentation by stating that the rise of East Asia brings within itself a huge opportunity along with security challenges and new power structures. He said that the traditional markets like US and UK are coming down and the largest markets are in Asia. Hence, one is forced to look into this region for better trade options. However, according to him, there are absolutely no mechanisms to address regional security issues, especially maritime dialogue. This is where New Zealand and India can cooperate and form regional interdependence and re-alter security frames.

Professor Sekhar Bandyopadhyay, in his presentation, stated that from the 1990's, after India started its economic reform process, New Zealand began to see India as a major potential place to be explored. He then provided statistical data with regard to the major source of Indian immigrants in New Zealand. And then he explained the 2015 vision of New Zealand for India. According to that vision, India will become a core trade and political partner for India. He then highlighted various areas in which India and New Zealand could collaborate fruitfully. For example, New Zealand could offer high technology in agri-technology research, in supply chain and in cold storage. Film, tourism and education are other areas to collaborate. Defence and other multilateral institutions are also vital areas where India and New Zealand can collaborate.

Rahul Mishra started his presentation by describing how the Indian Diaspora in New Zealand is seen as filtered migrants. He described New Zealand as a multi-cultural society, which is accommodative. He talked about the Indian Diaspora, who have greatly benefitted from New Zealand and can help in better economic cooperation. Skill development, education and sports are other areas where India and New Zealand can collaborate.

Kate McMillan opened with a statement that New Zealand is a country of immigrants, both historically and in contemporary terms. She talked about the importance of immigrants for New Zealand's economy as 25 per cent of their own population tend to go overseas after finishing school. She also stated that four per cent of New Zealand population are of Indian origin and Hindi is the third most spoken language in the country. It can be seen that Indian immigrants in New Zealand play a substantive role in different aspects of the functioning of the country.

The floor was then opened to questions and comments where the most significant question was about the Indian entrepreneurial Diaspora and its contribution in New Zealand. The panellist from the New Zealand side then responded by saying that Indian businessmen play a very significant and organised role. They play a visible role in public life and work in close cooperation with the government. Indian businessmen have signed an important MoU with the CII and the India-New Zealand business council operates in a very significant way with the ministry of trade and business organisation.

Concluding Remarks

The concluding remarks were given by Narendra Saxena, Deputy Director General of ICWA and Professor Sekhar Bandyopadhyay.

The DDG stated that he was cynical about the projected demise of US as a world power. He said that there were too many assumptions of the decline of USA and rise of China. He added that only if the GDP of US declines by two per cent per year and that of China's increases by six per cent per year, then China can takeover USA in 2037-38. Another factor to keep in mind is Japan, since Japan is forgotten when US and China are being talked about. For China, to come at par with Japan technologically will take a lot of time. He also remarked that a lot of FTAs have been signed and are on the verge of being signed in the Asia-Pacific region; however, FTA partners do not show commitment on the services side. Professor Bandyopadhyay gave his concluding remarks by saying that the security architecture has to be seen beyond China and US. He also reiterated that despite the

differences in size between India and New Zealand, both countries share a common ground, such as Democracy. He added that this dialogue facilitated a concrete and fruitful discussion and the publication of the presentations of the dialogue would be an important step in this process. Overall, it was a successful collaboration and it, hopefully, will pave the way to have more fruitful dialogues and collaborations in the future.

(Report prepared by Ms C. Lapekhlu and Ms Alisha Saikia, Research Interns at ICWA)

