

From the margins to the centre: The deepening of New Zealand's relations with India

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*Despite a sense of mutual goodwill between India and New Zealand, the current bilateral relationship lacks much substance. **Mark G. Rolls** reviews recent efforts to inject more dynamism into the partnership, and considers how efforts to conclude a free trade agreement may have become a stumbling block rather than a stepping stone.*



The bilateral relationship between New Zealand and India has usually been described as 'warm, but not deep'. Giving the relationship much of its warmth has been the two countries shared historical ties, traditions and values: often summed up from the New Zealand perspective as 'cricket and Sir Ed [Hillary]'. Indicative of the lack of depth was the fact that despite New Zealand's foreign policy turn towards Asia after 1990, India still seemed to be on the margins; certainly in comparison with China.



Historical ties: New Zealand PM Norman Kirk with Indian Prime Minister Indira Gandhi in 1973. Image credit: [Archives New Zealand](#) CC BY-SA 2.0

As part of efforts to inject more dynamism into bilateral relations, Wellington and New Delhi agreed in 2007 to launch a joint study into the feasibility of a free trade agreement (FTA) between India and New Zealand. The study's findings, released in 2009, were that such an agreement would provide broad benefits for both countries. Negotiations began the following year. The attainment of an FTA was subsequently placed at the heart of New Zealand's India strategy, 'Opening Doors to India. New Zealand's 2015 Vision', which was released in 2011. This strategy, which recognised how important India was as an emerging 'Asian superpower', contained the vision that India should 'become a core trade, economic and political partner' for New Zealand.

For New Zealand, the value of having strengthened ties is primarily, but not wholly, economic. In addition to gaining from increased merchandise exports and trade in services with India (especially in terms of attracting more Indian students to study in, and tourists to visit, New Zealand), New Zealand hopes to be able to attract and retain skilled Indian migrants and engage more with India in a variety of regional and global level multilateral institutions.

From New Delhi's perspective there is also value to be gained from a strengthened relationship in terms of people-

to-people links, particularly as this is an important dimension of Prime Minister Modi's foreign policy. New Zealand has witnessed a rapid growth in the Indian ethnic group component of its population. In the 2013 census, this group represented 3.9% of the total population: a higher proportion than in many other countries outside the Middle East. New Zealand too is an increasingly popular destination for Indian tourists and continues to provide fabulous location scenery and favourable terms for Bollywood's film-makers.

As India increasingly attaches more importance to the connections between the Indian Ocean region and the Western Pacific, encapsulated in its use of the term 'Indo Pacific', New Zealand has a strategic significance (albeit still limited) which it has not hitherto had. India certainly sees merit in advancing engagement between the two navies as well as furthering defence ties more generally. Both countries have a shared interest in maintaining vital sea lines of communication through the Indian Ocean. At a global level, as India looks for international partners and seeks to play a more prominent role, New Zealand can be a valuable friend; particularly as Wellington is supportive of Indian membership of an expanded and reformed UN Security Council.

To make the partnership more productive, and broader based, from New Zealand's point of view the eventual conclusion of an FTA would be an important step, though no longer a 'pivotal' one. Although for India an FTA between the two countries is deemed less valuable, it would see benefits from the New Zealand market being opened up to Indian information technology (IT) services, for example. Given the significance of the people-to-people dimension, any measures to enhance this link would help also. Encouraging airlines to take advantage of the signing of a new direct air services agreement would undoubtedly lead to further growth in the number of Indian tourists visiting New Zealand. So too would New Zealand reciprocating New Delhi's decision to grant New Zealanders tourist visas on arrival in India. At the opposite end of the scale, an increase in the number and seniority of high-level visits (especially from India to New Zealand) would also help to further the bilateral relationship. The recent three-day visit by India's President, Shri Pranab Mukherjee, was a valuable step in the right direction. His visit was the first high-level one by an Indian leader for 20 years and the first ever by an Indian president.

Such high level visits are essential if momentum is to be sustained and the partnership is to grow. The absence of momentum has sometimes been a problem in the past as too often the loss of it has led to inertia and the relationship has become marginalised.

The failure to conclude an FTA has generated the impression that instead of it being a stepping stone to a more productive relationship, it has become a stumbling block. To prevent this failure being perceived as a barrier to a strengthened relationship, the previous emphasis on the FTA should be reduced and the practice of no longer having a target date should be adhered to whilst negotiations continue.

One of the reasons put forward as to why it has proved difficult to conclude negotiations on an agreement is that India has become more aware of the power asymmetry which exists between itself and New Zealand. This has meant that there is now an expectation in New Delhi that it can both articulate and secure what it wants and that it doesn't need to make compromises; especially since New Zealand is seen as having more to gain from an eventual FTA. In a wider sense, such power asymmetry may be the greatest obstacle to a closer partnership since it is not a partnership of equals. For New Zealand, as the smaller state, the relationship will always be relatively more important to it than it is to India. The tendency, therefore, for India to regard New Zealand as insignificant at times, despite the value which New Delhi can obtain from the relationship, may continue to be difficult for Wellington to overcome.

This article draws on the author's Political Science article [Opposites attract? India–New Zealand relations in the contemporary Indo-Pacific](#) which can be found [here](#).

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About the Author

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Dr Rolls is a regular participant for New Zealand in the Track II process of political, economic and security dialogue in the Asia-Pacific region and has been a Non-Government delegate to several Shangri-La Dialogues (most recently in 2015).

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