

Andrew Little's Speech to New Zealand Institute of International Affairs

Posted by Andrew Little on June 28, 2017

Thank you all for coming today, and thank you for inviting me back to the NZIIA. It's great to be with you again.

The evidence continues to mount that we are in a time of great political change. Around the world, the political ground is moving.

Last year the United Kingdom experienced its political earthquake — which we now know as Brexit.

And at the end of the year the American political establishment was shaken as Donald Trump won the presidency.

It's not that either of these developments was unpredictable or unlikely, despite them coming as a surprise to many. Both enjoyed significant levels of popular support in their respective jurisdictions before the ballot results were known.

But the political establishment in both of those countries expected — or maybe they just hoped — that neither of the outcomes would achieve the majority support they did.

So, what stands out is that both results ran completely counter to the conventional political commentary.

The political establishment failed to anticipate either event because of something I suspect many are still struggling to accept: that our democratic systems — flawed and imperfect as they always have been — are increasingly incapable of keeping up with the changing demands and expectations of the complex communities they are meant to serve.

Conventional political systems are proving themselves to be out of touch with ordinary people — the vast, unrecognised, unseen, and unheard sea of the alienated and marginalised citizens, who have

been left behind by technological and economic change; systems that are out of touch with those who are just disillusioned by politics and political systems that seem incapable of dealing with the major challenges of the day – like growing inequality, intractable poverty, and environmental neglect.

These same trends have continued in France where the French people have turned to Emmanuel Macron, the youngest President in the history of the Republic, and whose party was really only started as a movement a year ago and is now the largest party in that country's National Assembly.

This year, in the United Kingdom, the Conservatives entered their general election confident they would increase their majority. It was supposed to be a slam dunk for Theresa May, and Jeremy Corbyn was written off from the outset. But as it turned out, Jeremy Corbyn destroyed Theresa May's majority and delivered the biggest increase in the Labour Party's support since 1945.

Conventional politics of the past 30 years is being challenged.

These trends reflect the bankruptcy of so-called orthodox solutions in the face of the increasing wealth gap, the widening technology gap, along with a growing sense of economic and personal insecurity and the polarisation of many communities today.

These changes have huge implications for politicians in election campaigns, and for foreign policy practitioners.

The fact is there is growing disillusionment across many sectors of society, and if political systems do not respond effectively and meaningfully, then unpredictable change will occur. The soothing balm of political rhetoric and propaganda is not a meaningful response.

We should also accept that what is happening is nothing other than a legitimate expression of the democratic system. This groundswell of change is looking for ways to be expressed and to be represented in our political system. To ignore this change would be to choke our polity; to demean our democracy.

These movements are what make democracy effective. For those of us at the progressive end of politics, the changing political world brings huge opportunity.

Much of this popular disillusionment we are seeing is aimed at the failed promise of 21st century globalisation.

Globalisation, by which I mean the deregulation of international trade and investment rules to allow the faster movement of capital, goods, and services across borders, has been around since the rise of modern capitalism in the 18th century.

21st century globalisation was meant to enable countries to focus on their competitive advantage. But that hasn't happened. I take the view that globalisation is neither a panacea nor a Pandora's box.

More than thirty years on from the neo-liberal revolution, we can see economic globalisation has created both opportunity and challenge. It has lifted many out of relative poverty. But it has made others poorer and created added uncertainty and insecurity. A small few have been disproportionately and hideously enriched.

The rapid expansion of free trade, the growth of supranational institutions and their growing importance to the global economy, the rise of developed nations and the development of the internet and communications technology unimaginable even 20 years ago, has meant the world has become smaller and more connected.

But it has also enabled, for example, multinational corporates to game tax and investment rules to maximise gains for them and to contribute little to host countries.

The paradox of 21st century globalisation is that, although it has enabled some nation states to lift their people out of poverty, it has arguably constrained nation states from collaborating effectively to combat global issues like climate change, for fear of affecting foreign investment.

The principal failure of globalisation, at least in its 21st century neoliberal form, has been that too many people have missed out on the gains.

Even as globalisation has led to income convergence on a global scale, it has led to income divergence within wealthy nations like

New Zealand. For many, globalisation has led to job losses, greater insecurity, and a growing gap between the rich and the poor.

Yes, the technology revolution has led to many new jobs. Some of you will have kids who aspire to be mobile app developers, drone technicians, cloud data scientists, or America's Cup technologists – jobs that hardly even existed when they were born.

But that same revolution has caused other jobs to die. Typists, postal workers, skilled manufacturing workers, even journalists and accountants have all suffered as the sun has started to set if not on their industries then on the usefulness of their skills within those industries.

And here's the problem – not everyone who used to be a postal worker or a skilled manufacturing worker is going to be a budding app developer. Not all ex-typists fly drones.

The reason why governments see personal prosperity for individual citizens as a public policy goal isn't because prosperity is good for its own sake; it's because policies geared to greater prosperity allow for wealth to be shared. The record of the last 20 years shows that the very opposite has been taking place.

A recent World Bank study of global income distribution confirms that the top 1% of income earners pulled in over 60% of income gains over a recent 20 year period.

And while incomes in the developing world have also risen strongly, incomes for the modest-income majority in wealthy countries simply have not kept pace during the same 20 years.

This is starkly evident in New Zealand. I was born in a relatively egalitarian society, but today UNICEF reports we have one of the greatest levels of income disparity in the developed world.

Globalisation's failures, however, aren't limited to the shores of rich countries like New Zealand. In the most vulnerable communities in the developing world, globalisation has also sometimes led to exploitation by transnational firms that owe loyalty to no place.

When incomes don't keep up with peoples' dreams and aspirations, then something gives. I spoke to a young school teacher recently who told me of his and his partner's circumstances. In spite of having each a good income, between them the couple feel they can

never own their own home in Auckland. Whatever they save will never be enough. They've simply given up on the Kiwi dream, and that's a terrible sentiment shared by too many of our young people.

We cannot stop change, and I wouldn't want to. The tide of technological change and innovation will continue, and so it should.

What we can do, however, is chart a path that gives New Zealanders the confidence to face the challenge and lead in a world of change. The job of Government is to ensure we do not see ourselves as passive victims of global forces, but rather as people who can adapt and reap the advantage of them.

To achieve that we must be ever mindful of how our economic profile is changing and the consequences that has in the workplace and wider society.

In times like these, the nation state through the agency of central government has an important role to play. Apart from navigating change and ensuring a fair distribution of wealth, the state provides identity, security and certainty. It lets us determine what is right for our people. It lets us work together to ensure that prosperity is shared widely and fairly.

I reject the idea that in an increasingly globalised world the nation state is fated to disappear. The theory of the diminished state simply does not work. The notion that a globalised and unregulated free-market economy will deliver prosperity for all is an illusion.

A responsible and responsive state has a duty to ensure that prosperity and obligations are shared, that the primary beneficiaries of globalisation – the multi-billion dollar transnational firms that now gird the globe – also pay their “fair share of tax”. That they meet the same social obligations as you and me.

All this is the broad context in which political competition takes place in the 21st century, and in which foreign policy is crafted around the world.

Now I want to touch on a few of the key issues in world politics today.

One of the great promises of globalisation is the international institutions that help us deal with truly global issues.

These institutions interact with domestic politics in every country. It's an old adage that politicians come and go, but institutions remain. It also happens to be true.

In the context of the Trump Presidency, the important thing is that our international institutions remain strong and vital.

As I said to US Secretary of State Rex Tillerson during his recent visit, the challenge right now is to ensure the idiosyncrasies of the present administration don't weaken the world's collective ability to work together on issues such as climate change. Politicians come and politicians go, but the institutions of international cooperation must remain strong.

I want to mention several developments in the Middle East. In Labour, we have always stood for peace amongst nations, and one of the proudest moments in our party's history was it was a Labour Prime Minister Peter Fraser who was one of the driving forces in the formation of the UN.

Wherever a community is ravaged by war, Labour stands for any practical step we can take towards peace.

The continuing wars in the Middle East, and terrorism in Europe, worry us all, and ought to take the attention of every nation state.

You will be aware that the New Zealand Labour Party opposed the unwise 2003 invasion of Iraq, led by the USA, UK and Australia, an invasion which was not justified by the then-claimed weapons of mass destruction. As we predicted, that foray has further destabilised the Middle East.

A decade later, the scourge of ISIL/Daesh blights Iraq, Syria and now we see recently in the Philippines. Afghanistan is an issue that remains unresolved.

While many Iraqi and Syrian factions have come together broad international support to confront ISIL – and in Iraq at least ISIL have almost been defeated - underlying sectarian conflicts are far from resolved.

I visited Iraq last year and spoke with the generals. They will tell you that what exercises their minds most today is what happens after the retaking of Mosul and how to balance the competing sectarian claims in the south.

Yemen, a very poor country, is a theatre of war with complex alliances underpinned by regional neighbours.

I'm also troubled by the recent blockade of Qatar. Whatever disputes Qatar has with its neighbours, the broad-based sanctions and blockades are an alarming escalation of tensions. High fences do not make for good neighbourly relations.

Many issues in the developing world – in the Middle East and elsewhere – revolve around how enthusiastically governments defend the human rights of their people.

Let me just say this: every country has a moral duty to stand up for the rights of its citizens, even when doing that makes it harder for those same governments to do other things they might like to do. And the richer the country, the fewer excuses for inaction they have.

I want to say two things about Israel and the Palestinians. First, we unequivocally support the State of Israel's right to exist. Israel must be allowed, and supported to, defend and protect its borders, its territories and its people. Existential threats to Israel must be opposed by the international community. But we also support the two-state solution. The Palestinian people have the same rights as Israelis to live in security in a nation state of their own at peace with their neighbours. That right means a Palestinian state cannot have its borders effectively shrunk year after year by the housing encroachments of an occupying power in breach of international law.

New Zealand, of course, can't achieve world peace by ourselves. We believe the path to achieve a better world is first and foremost multilateral, working through and seeking to improve organisations such as the United Nations and the World Trade Organisation.

While the very threat of a permanent member's veto at the UN Security Council has made the policing of chemical weapons and other atrocities difficult, we must continue to stand up for the United Nations.

We support an international system which is rules-based rather than one where countries impose their will on others by virtue of their size and power. We are committed to acting collectively to deal with problems which increasingly transcend national boundaries.

Labour has always maintained an independent foreign policy. The so called four firsts with China are examples of our leadership within Asia, including our world leading free trade agreement with China. Our uncompromising opposition to nuclear weapons and proud nuclear-free status is world-famous.

Moving to domestic matters here in New Zealand, you will know we'll have a general election in September. I won't give you Labour's full manifesto, but I want to highlight a couple of areas.

One of the issues that attracts controversy just by talking about it is immigration.

Recently we announced that we'll take a breather on the record levels and volume of immigration we are experiencing in New Zealand until we can build the facilities that everyone in New Zealand needs. Our target is to reduce net immigration by 20-30,000.

But I am the first to say this - New Zealand was built on immigration. When new immigrants come here, they don't just bring vital skills and talent, they enrich our country culturally and make New Zealand a better place.

I look forward to the day where we have the homes, roads, schools, hospitals and other public infrastructure so that everybody who does come here can enjoy the benefits comfortably of what New Zealand has to offer. To achieve this we must create the social and economic conditions that make successful settlement possible. We are now experiencing migration flows at record levels

Even as we take a breather on immigration, Labour is committed to maintaining New Zealand's reputation as a tolerant, diverse society.

The Labour Party will also honour our commitments to refugees, and that includes doubling the refugee quota from 750 to 1,500. Since the mid-1980s our population has grown by a third and our GDP has doubled. But our base refugee quota hasn't kept up with our population growth and our economic growth, and we can do better and we should.

We will also honour our commitment to our Pacific neighbours. The Pacific Quota will remain unchanged. We will also introduce the

category of climate change refugee, targeted at the people of small Pacific states who will be the first victims of rising sea levels.

We're committed to the Paris Agreement on climate change, meeting our obligations under it and building further consensus on the basis of this historic agreement.

We will also continue to support our Pacific neighbours in meeting the challenges of climate change.

Domestically, we are committed to environmental protections and will ensure that water quality standards are improved and effectively applied. We want our rivers and lakes to be swimmable and available for all to enjoy without fear of sickness and contamination. This has always been central to New Zealand life, and we plan to restore it.

We'll also ensure that companies and individuals who use large volumes of public water for private gain will pay a national levy that can be fed back into water management and quality programmes. And we'll ensure that bottling companies that profit from the sale of our artesian waters pay a levy for the privilege of accessing these unique resources.

We will also establish an independent Climate Change Commissioner, to ensure our climate change commitments under Paris are being met, and in cases where they're not being met provide independent advice on what we need to do. That is a commitment to the rest of the world.

Last, I'd like to talk about trade and about sovereignty. We're often told there's often a trade-off between the two, but the terms of that trade-off differ from agreement to agreement.

Labour is a party of trade. We negotiated the China Free Trade Agreement and will always support market access where it is in the national interest.

This however differs from the Trans Pacific Partnership. We opposed this because it placed private corporate interest above our national interest. It sought to establish special rules for international corporates and weakened New Zealand's ability to protect the welfare of its own citizens and regulate in the interests of our own people.

I have never accepted the argument that in the 21st century international trade must always come at the expense of a country's democratic right to legislate. It is entirely reasonable and natural that we should be masters of our own house, which is why Labour will continue to oppose agreements that erode our sovereignty.

We do, however, support international partnerships when they assist developing economies.

National interest does not mean that poor countries should be left to be poor. Sharing wealth is important internationally just as it is domestically. International corporates should not be free to exploit people, and they should pay their fair share of tax.

The future is about embracing technological and social change.

We cannot stop or control change. The key question is how we frame our perceptions of the future and how we prepare for that change.

To be a successful society our prosperity must be shared. We need to invest in our young people and support people through the transitions that lay ahead.

We need to be flexible enough to deal with the changes and shocks that are coming our way. We need to lead change and harness the talents of all so that our economy delivers a share in prosperity for all our citizens.

After nine years we need a new approach to many of the questions that face us. We need a fresh approach that sees people not profit as its driving force and people as our most valuable asset. We need a renewed social partnership between an active and capable government and a business sector focused on innovation and inclusion.

We need to bring this sense of social partnership and our capacity to innovate to meet the challenges of the future in international relations too.

Labour has an historic record in forging its independent foreign policy. That policy has always been the product of ambitious and principled thinking.

We have to continue that tradition and ensure that our voice is heard, that New Zealand continues to be trusted as an honest broker and a strong and principled actor in international affairs.

We need policies that will promote innovation and give workers a stake in what can and must be a brilliant future for New Zealand. And we need an approach to international affairs that is outward looking and doesn't shy from the huge challenges that we face as a global community.

Labour has those policies and the vision to make that happen.

It's time to leave behind the tired and worn out arguments, and the false dichotomy whereby being open means we should sacrifice our sovereign right to govern in the interests of people, which includes embracing diversity, technological change, and facing the future of work, lifting prosperity and sharing prosperity fairly.

Thank you.