

'Brexit and New Zealand's World'

Presentation to Panel Discussion on
Brexit: What Does it Mean for New Zealand?
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One way of approaching what Brexit means for New Zealand's world is to consider what sort of world works for New Zealand. And I think we can say that there are some distinct features of international political life that New Zealand governments, past, present and future, are likely to prefer.

First, as a small and geographically isolated country whose prosperity and security depends on its international connections, New Zealand relies heavily on strong traditions of international cooperation. This requires the states of the international system to restrain the temptation to go it alone and to see that they are stronger when they work together. It requires them to strike bargains between what is maximally in their own national interest and the common interests they share as fellow members of the international society of states. Diplomacy is about addressing and managing these differences, and it works for New Zealand if other countries work on the principle that differences are best managed together through negotiated agreement.

Second, it works for New Zealand if other governments work hard at creating both informal rules of the game and formal rules-based institutions to support international cooperation. Hence the effort that Wellington has devoted in past years to the GATT and its successor the World Trade Organization. Hence our involvement in Asia-Pacific security dialogues centred on the Association of Southeast Asian Nations. Hence our keen interest in the perpetuation of the Antarctic Treaty System and making the United Nations Security Council more effective.

Third, it works for New Zealand if larger and major powers take seriously their special responsibilities for supporting international cooperation, international rules and international order. New Zealand has long argued against the veto powers that the permanent five have at the Security Council. But we realize this and other signs of an unequal international system are not going to disappear anytime soon. Yet this means we see that major powers, such as Britain, have special responsibilities to the international system as well as special rights within it.

Fourth, it works for New Zealand if the domestic politics of other countries reflect a commitment to an open and welcoming view of the world, and not a suspicious fortress mentality. Isolationism is poison for New Zealand's interests.

Fifth, while we may have adjusted to our position in the Asia-Pacific region and take some encouragement from our connections to Asia's growing economies,

New Zealand still depends heavily on a significant amount of western leadership in international politics. Our links to the trans-Atlantic world, to both Europe and North America, are valuable partly because these parts of the world are the source of so many of our political principles, from the emphasis on the rule of law, to the importance of civil liberties, to the commitment to open societies.

Brexit is a direct and an indirect challenge to many of these guiding assumptions as to what is good internationally for New Zealand. Let me explain this with a sequence of numbered points.

First, Brexit will keep the United Kingdom distracted by its own domestic politics and by the long process of negotiating an exit from the EU. Britain becomes a distracted major power, unable to focus on the emerging challenges to the rules based system that New Zealand relies on for its livelihood. Even if a new government in London commits itself to a sympathetic set of views on the future of the international system, it will be so distracted that it will be unable to do very much to encourage them. Brexit will not break the bonds between London and Wellington or London and Washington. In fact for London many of these bonds beyond the EU may become more significant. But the truth of the matter is that Britain's capacity for international relations will be diminished.

Second, Brexit will see Britain forfeiting one of the most important force multipliers it has for its diplomacy. The EU has been much more of an international asset than a liability for the UK. And in turn London has been a great asset for the EU. The loss of the UK will also leave the EU diminished. There is a medium term aspect to this. Over the next two years the finite energies of the EU should really have been focusing on the management of a series of vexing policy questions: the ongoing economic challenges facing Greece and others, what to do about Russia, how best to manage migration, maintaining a common focus on ISIS and terrorism, Syria, Iraq, and Libya. The list goes on. But now too much of the EU's time will be devoted to messy divorce arrangements with the UK and to the existential crisis that Brexit encourages.

Third, in the longer term, the UK's exit will diminish the value of the EU to other major powers. The future of the bilateral US-UK relationship may be strong. But Washington has lost its first and main point of contact in the EU. There are three Five Eyes members in NATO; the US, Canada and the UK. Before long there will be none in the EU. And before you tell me that managing Russia is NATO's job, think again. It was the prospect of Ukraine's defection to the EU that encouraged Mr Putin to re-emphasise a competing bloc: his Eurasian Union of closed economies and societies. And the EU's sanctions policy, undergirded by British support, has been at the forefront of the economic pressure on Moscow. We can disagree about the aptness of these policies, but in them the EU has been crucial, and within the EU, the role of the UK has been central.

Britain's exit puts perhaps too much pressure on Germany to further extend its leadership role in the EU. And it puts too much pressure on the partnership between Germany and France, upsetting the balance that Britain's involvement helped sustain. You may tell me that this matters less to New Zealand. After all

we are a long way from Europe, and our future is focused more on Asia. But with the EU weakened, think of the neighbourhood: the struggles of Northern Africa to its south, the struggles of the Middle East to its east, and the challenge from Moscow to the northeast. New Zealand needs a capable Europe to be dealing with these complex issues. Brexit will make that much more unlikely.

Fourth, Brexit is an encouragement to views of the world that are anathema to New Zealand's. The despicable Nigel Farage has referred to the vote for Brexit as Britain's independence day. Marie Le Pen, Leader of France's National Front, has said in a New York Times opinion piece that the leave vote in Britain was 'an act of courage – the courage of a people who embrace their freedom.' And Donald Trump - who wants to build a wall to keep Mexicans out of the United States, prohibit Muslims from entering, rip up the TPP and NAFTA, and reintroduce water-boarding and worse – sees Brexit as a personal endorsement.

The vote for Brexit is a warning indicator that the era of unending globalization and integration is over. But the alternative is not the spread of a fortress mentality, of small-minded and sometimes racist nationalism, and of the shutting down of international commerce. That alternative should be thoughtful cooperation by governments to adjust the speed of change and the intensity of integration to something that works better for disenchanted electorates. Instead Brexit says that the answer to globalisation's speed wobbles is the abandonment of international cooperation.

The more these destructive politics surface in Europe and North America, the more the west's authority is diminished. And the worse off New Zealand is. Heaven help us then if Brexit is followed by a Trump triumph. Thankfully that combination is now looking quite unlikely.

The leave victory was a protest vote. It was a protest against the elites in London and Brussels. Its promoters had no plan for how it would be implemented. Boris Johnson is, after all, a satirist. Experts at ridicule can only be expected to be ridiculous decision-makers. But as the leave vote is implemented, New Zealand's world is getting less inclined to openness, to cooperation, to strong and effective rules.

Britain may not be the great power it once was. But I fear its voters may have had a greatly negative impact on the conditions of international relations that New Zealand relies on.

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