

Globalisation in the round

Going beyond trade and dispute settlement in NZ

Name of presenter	John Yeabsley
Venue or event	GEN Conference Te Papa
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Coming up

- Just had an authoritative overview of world economic and international developments
- Now for something completely different:
 - Idiosyncratic
 - NZ Focused
 - Taking a long view (historical)
 - Social and cultural as well as economic
- **The great disruption** and its shadow
- Wider effects (social and cultural), Then factors:
 - People
 - Finance
- Popularist reaction – return to the 80s?
- What did the long view suggest?
- Looking ahead,....



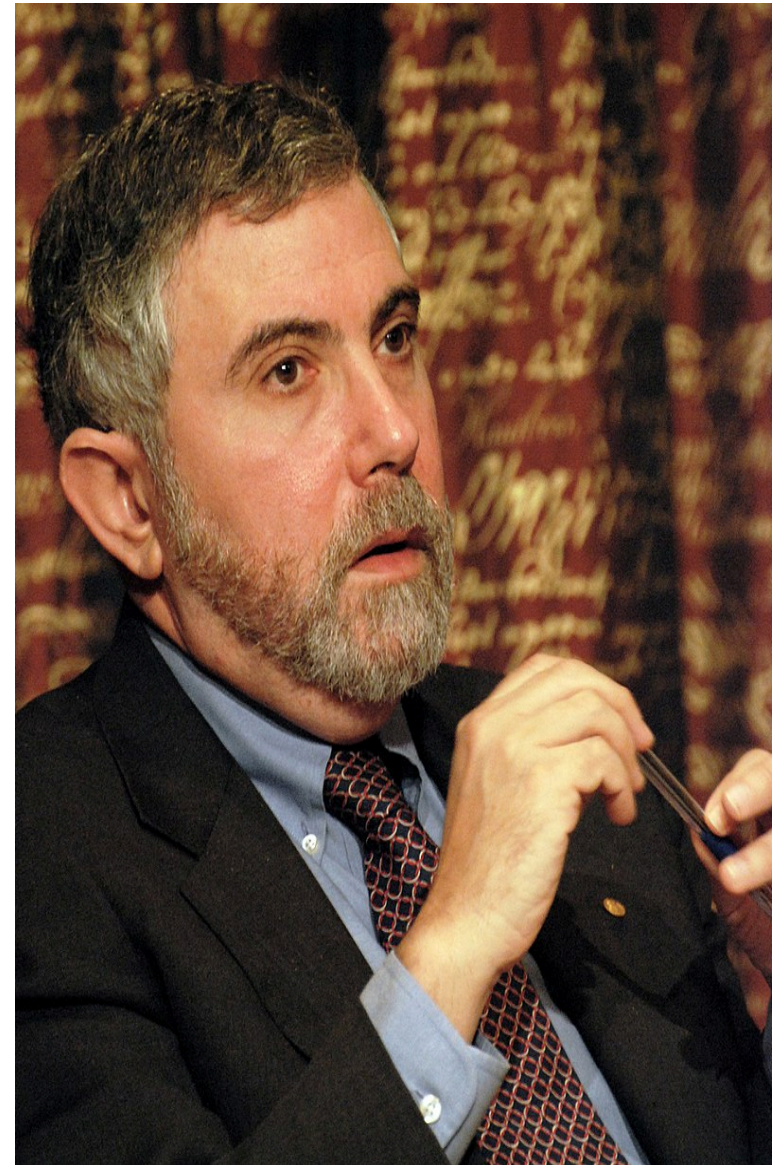
Mostly open, but,.....

Paul Krugman Nobel Prize winner

Trade as a device for turning surplus product into desired goods and services

From the early Nineteenth Century NZ was a trading nation: refrigeration created “Northian” staples & high incomes

The Slump caused the **Great Disruption** as NZ’s exports collapsed - 50 years of protection followed



Alongside the economics...

NZIER work with Chris Nixon and Alastair Murray – despite scale and distance.

For most of this period normal channels transmitted culture (books, plays, films, radio) to NZ & took talent in return (KM)

Socially biggest shape influence was migration (UK)

Even Australia was mirrored here via the UK



Retreat from isolation

- The “crack in the mirror” was 1961 – MacMillan’s EEC attempt. Crystallised modern NZ.
- Return to the global world
 - Trade promotion surge and new deals (NAFTA)
- Fairburn’s jibe on NZ uniqueness – Māori apart, what is different?



Factor movement - People

- Until 1948 all were British (& for UK went on to 1980s)
- Permanent movements dominated
- Tight against Asians
- 1988 “new policy”- attributes not nationalities.
- Recent shift to temporary entrants



Factor movements - capital

- Relatively free movement until the Great Disruption – London was world market
- Protection encouraged foreign investment
- Since the eighties easy to move money (tho' taxes & anti money laundering)
- Australian banks
- Limited restraint on foreign investment



Re-rise of anti-globalisation

- Recent protests redolent of anti-CER (early eighties.)
- Not against wider world ideas (rights) – just want to pick and choose.
- Two issues:
 - New culture of perceptions v reality?
 - How to be more consultative in deal-making?



NZ & the WJMcK view of the globe

Changes:

- China et al – *We're onto it*
- Technology – *More than a fast follower*
- Political backlash – *Part of MMP*

Trump means:

- Interest rates up – *Hinders shifts*
- Capital flight – *Harder to fund*
- Strong US dollar – *Tilt to export*
- Countries with large debt in stress – *Too large or Goldilocks?*



Looking ahead.....

NZ still small and distant so:

- **Cultural interaction** for 0.2% – with ‘glocalisation’?
- Services, workers & **popularism** – restrict or remove + flight to quality?
- Generally, **global** ‘**supermarket**’ still open & attractive; how to get the good rather than the bad?

