

New Zealand Elite Perceptions on the EU: A Longitudinal Analysis

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Abstract: *Since the end of the cold war, the European Union's (EU's) global aspirations and capabilities have grown. This shift has seen the EU becoming an increasingly integral part of the international arena, both economically and politically. However, there has been a notable geopolitical shift in recent years towards the growing importance of Asia.*

New Zealand, geographically distant but traditionally culturally aligned with the EU, the nation that has traditionally enjoyed close economic, political and social relations with the EU but is increasingly focused on Asia, presents a unique perspective on this perceived realignment of power. This paper offers a unique perspective on the effectiveness of the EU's international outreach. Using international relations' 'small state theory' as an analytical tool, the paper draws on a series of longitudinal elite interviews conducted with New Zealand's political, economic, civil society and media elites over a decade. The paper qualitatively and quantitatively assesses whether the EU remains perceived as a relevant, important global actor in the eyes of New Zealand's elite.

The paper makes a number of observations. Firstly, as a small state, New Zealand's foreign policy focus has tended to be preoccupied with economics and this preoccupation has meant a notable shift away from Europe. Second, although over the course of the interviews negative discussions about the EU's Common Agriculture Policy decreased, on the other hand there was increasingly less discussion about the EU's potential and a more concerted discussion about the importance of Asia to the New Zealand's economy and future. There are a number of reasons to account for this changing perception towards the EU,

however, the internal friction currently facing the European Union and eurozone was consistently noted. Finally, although over time the interviewed elites believed that the EU's importance is diminishing, this acknowledgement was often made with regret.

Keywords: *elite interviews, EU external perceptions, EU-New Zealand relations, small state theory*

1. Introduction

Since the end of the cold war, the European Union's (EU) global aspirations and capabilities have grown. This shift has seen the EU becoming an increasingly integral part of the international arena, both economically and politically. However, while the early 1990s were famously called 'the hour of Europe' by Luxembourgian Deputy Prime Minister Jacques Poos, the 21st century has been labeled as the 'Asian century'. This means that although the European Union has been granted more international capability as well as increasing its efforts at international political communication, these expanded capabilities may have limited effect. The implications of this perceived geopolitical shift are not yet clear.

New Zealand (NZ), while geographically distant, is strongly culturally aligned with the EU, traditionally enjoying close economic, political and social relations with the economic bloc. Yet, New Zealand is increasingly turning its international focus towards Asia. Using New Zealand as a case study, this paper offers a unique perspective on the effectiveness of the EU's international outreach drawing on a series of longitudinal interviews conducted with New Zealand's political, economic, civil society and media elites over a decade (during which time the EU's international capability formally increased). The paper qualitatively and quantitatively assesses whether the EU remains perceived as a relevant, important global actor in the eyes of New Zealand's elite.

Since the 1970s, New Zealand's relationship with the EU has been characterised by an uneasy 'love-hate' relationship. On the one hand, New Zealand's history and genealogy means that it shares much in common with the countries of the EU, especially those in the Western part of the continent. In addition, following British accession to the Union, New Zealand, as a former British colony, enjoyed a special trade preference for its dairy products not enjoyed by other countries in the Commonwealth. On the other hand, British accession to the EU meant that New Zealand was forced to look for new destinations for its agricultural

products. Nonetheless, the EU remains New Zealand's third largest trading partner after Australia and has only just recently been overtaken by China. The EU is responsible for 16 per cent of New Zealand's total exports and remains an integral part of New Zealand's economy.

Until British accession the bulk of New Zealand's commodities—primarily dairy products and sheep meat—were exported to the UK. When Britain joined the EU, the trade agreements amongst EU Member States, as well as the Common Agricultural Policy (CAP), meant that New Zealand was increasingly forced to look to other markets. For Europe, New Zealand ranks as only its 50th important trading partner, but it is long recognised as a like-minded country, sharing values such as human rights, and democracy as well as a development policy in the Pacific region. While the EU is currently negotiating free trade agreements with some countries in the Asia-Pacific, the EU Trade Commissioner Karel de Gucht stated in 2011 that any negotiations for such an agreement with New Zealand would be premature (Fallow, 2012). By contrast, New Zealand was the first country in the world to sign an FTA with China. Official relations between New Zealand and the EU have been dominated by the Joint Declarations of 2004 and 2007. Also in 2011, New Zealand's Minister for Foreign Affairs and Trade Murray McCully and EU High Representative Catherine Ashton announced the intention to pursue a more formal Framework Agreement (European Commission, 2011). Despite Europe's continuing importance to New Zealand, the question remains: do New Zealand elites still view the EU as an important partner, or has the EU's importance decreased over the past decade?

The paper draws on both qualitative and quantitative analysis in order to understand whether the EU's perceived importance in New Zealand has decreased over the past ten years. It analyses identical elite interviews conducted with New Zealanders over the past decade. In order to better understand whether internal EU developments may impact on perceptions, three time-frames, at three yearly intervals have been used: 2005, 2008 and 2011.

The first time-frame presented (2005) is significant because the interviews were conducted in the aftermath of the so-called 'big bang' of EU enlargement, when ten countries, primarily from Eastern Europe, joined the EU. Although there was much discussion on the *internal* impact of enlargement on the EU (see, e.g., Moravcsik & Vachudova, 2003; Sinn, 2000; Schimmelfennig & Sedelmeier, 2002), little had been done to assess the *external* impact. However, there were concerns for New Zealand that the agricultural economies of the new Member States would seriously impact its exports to the EU and that New Zealand's access to EU markets may be neglected in favour of the new countries (McMillan,

2003, pp. 7–11). New Zealand’s foreign minister at the time, Phil Goff (2005) was cautious about the effect of enlargement on EU-NZ relations: “There was a risk that the EU would be heavily preoccupied with internal concerns, and that it would be harder to make New Zealand’s voice heard”.

Three years later, in 2008, the same set of questions was put to a new set of New Zealand elites. Although the euro crisis began to emerge in late 2008, at this stage the extent of the fiscal crisis was limited and 2008 was a year in which very few internal issues appeared in the headlines—that is, were prevalent. However, by 2011, when the third set of interviews was conducted, the euro crisis had escalated to dominate the European political and economic landscape, with Ireland and Greece requiring bailouts from the European Central Bank and the International Monetary Fund (IMF).¹

In order to chart the EU’s perceived importance in the eyes of New Zealand’s elite, answers to the following questions were analysed:

- ‘Is the EU a great power’?
- ‘Specifically about politics, do you see the EU as a leader in international politics’?
- ‘Rank the EU’s importance to NZ in comparison to other regions’
- ‘Rank the importance of the EU to New Zealand at present and in the future’

In addition, this paper also looks at the overall themes emerging from the interviews in order to understand whether internal issues and crises influence how outsiders view the EU, or if the elected government of the day influences New Zealand’s relationships with both the EU and Asia.

Semi-structured face-to-face interviews were conducted with identified interviewees from 3 cohorts: political, business and media. In 2011, an additional cohort of civil society elites was added to the New Zealand phase. In 2005, all in all 8 politicians, 8 business elites and 7 media elites were interviewed. The 2008 interviewees included 8 politicians, 2 business elites and 3 media elites. In 2011, the total of 10 business elites, 10 media, 8 politicians and 8 civil society elites were interviewed. In total, the paper draws on interviews with 72 key informants over a nine-year time-frame.

¹ At the time of writing, Spain has also required financial assistance.

2. New Zealand, the EU and small state theory

In order to ground the findings in wider academic theory, the paper draws on ‘small state theory’, a unique theoretical perspective in international relations. Although there has been much debate about what constitutes a ‘small state’,² one of the most widely cited scholars on the topic, David Vital (1971), concludes that a so-called ‘small state’ is defined as a country which has a population between 1–15 million for developed states and up to 30 million for developing countries. In contrast, Ólafsson (1998) classifies Iceland, with a population under 300,000, as a small state. Likewise, the Commonwealth definition of small states encompasses states with a population of less than 1.5 million (MFAT).

With a population currently estimated at 4,433,739 (New Zealand Statistics), New Zealand easily fits within Vital’s definition. At the same time, two out of three European states may also be defined as small states according to this definition. Indeed, much of the literature written on small state theory uses European states as case studies (Goetschel, 1998). Yet, it is equally important to understand states acting outside of Europe both on the international scene as well as dealing with the EU directly. While not attempting to critique small state theory, this paper applies the theory as a tool to understand New Zealand’s relations with and perceptions towards the European Union.

Although professing a preference for operating multilaterally and regionally, in recent years, the European Union has increasingly been seen to be operating with third countries on a bilateral basis. Evidence of this interaction can be seen in the EU’s bilateral free trade agreements as well as its designated ‘strategic partners’. Consequently, scholars interested in EU relations with the rest of the world have tended to neglect understanding EU interaction with its smaller partners, such as New Zealand. Yet, how these countries perceive the EU’s *importance* is also significant.

Literature on small state theory has been traditionally concerned with power and security. Goetschel (1998) noted that small states are perceived as helpless, non-threatening entities. Because of this, “[s]mall states have relatively little influence on their international environment, and their autonomy in response to this environment is relatively small [...] they suffer from a power deficit” (Goetschel, 1998, p. 15). Despite this lack of autonomy, small states increasingly play a key role in international relations through their key role as mediators

² For example, whether the definition should consider population size, influence, geographical size or a nation’s GDP.

(Goetschel, 1998, p. 17). As noted by Keohane (1969, p. 291), “as an important diplomatic innovation, small states have risen to prominence if not to power”.

In times past “[s]mall states were considered suboptimal and therefore vulnerable to political and economic pressures of all kinds that arise in international relations and international trade” (Ólafsson, 1998, p. 1). Two global developments have been credited as crucial to the survival and continued independence of small states. Firstly, multilateralism is of critical importance as it has been connected with “the sovereign equality of state” (Kahler, 1992, p. 681). Yet, multilateral institutions, such as the UN are indispensable due to their mandates to assure the independence and sovereignty of each nation. For instance, Article 2(4) of the UN Charter requires signatories to “refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state”. The then New Zealand Minister for Foreign Affairs and Trade Phil Goff has noted New Zealand’s support of multilateralism: “New Zealand’s dedication to multilateralism stems from three things: New Zealand’s history, New Zealand’s size and the realities of a globalising world”. In other words, New Zealanders continue to see themselves as a small state in the globalising world.

The second important development for the national security of small states has been regionalism. Regionalism plays an important function for small states, increasing their negotiation powers (see, e. g., Sutton & Payne, 1993; Sklias, 2010). Indeed, small states in ASEAN recognise this leverage and have been encouraging China and Japan to participate in the regional structure (Hu, 2009, p. 7). As the discussion below demonstrates, the concept of regionalism is increasingly on the minds of New Zealand’s elite.

Although Wiberg (1987, pp. 339–363) acknowledges small states’ need for physical security, economic security is equally important. Given the emphasis of economic relations between New Zealand and the European Union, the latter concept is perhaps the most important consideration for New Zealand as a small state. Because of limited resources, small states tend to be selective about their interactions and any interactions tend to be focused almost entirely on economics (Henderson, 1980, p. 4). According to Henderson,

[m]any of the most immediate threats to New Zealand’s national well-being and security in recent years have arisen not from any military threats but rather from the possible loss of export markets because of politically imposed constraints to agricultural trade (Henderson, 1980, p. 125).

Due to limited resources, the elected national government recently announced that it was either closing or down-sizing embassies in Europe but there were no cuts to the diplomatic infrastructure in Asia. This is a clear illustration of New Zealand's understandable preoccupation with economics. Small states are reliant on trade because of small markets at home, and a limited range of products, necessitating openness to free trade. Moreover, the imperative of security, both economic and physical also means that small states need to avoid confrontation.

3. EU-NZ relations since the 1960s

Given the EU's established role as a dominant economic trading bloc, it is not surprising that most literature on EU-NZ relations has focused on the trading relationship. Prior to the 1960s, European integration was viewed by New Zealand as a positive step for the promotion of stability to the region (McLuskie, 1986, pp. 8–9). From the late 1960s there was a plethora of literature concerned with how British accession to the United Kingdom would impact on New Zealand's economy (Lodge, 1978). This early work was focused on technicalities and fixed prices for New Zealand's agricultural exports, in particular, pricing formulas, with a dearth of written work on relations and perceptions outside of this area. New Zealand's special trade preferences were based on "a moral right to continue exporting to the British market", rather than economic principles (Lodge, 1978, p. 308) with the accession generally viewed negatively by New Zealand (Jackson, 1971). Compatible with small state theory, New Zealand recognised early on the need to avoid an overt confrontation with European officials over losing valuable trade markets in Britain. Later work on EU-NZ relations was also concerned with trade technicalities (see, e.g., Johnston, 1997; Singleton & Robertson, 1997; 2002). Singleton and Robertson (2002) noted the competition between Denmark and New Zealand for getting trade preferences, particularly dairy products.

Perceptions were generally not commented on. One exception was Lodge who noted that following British accession, New Zealand was forced to rely on Britain fighting its case in regard to special trade preferences, resulting in a misunderstanding on behalf of New Zealand officials about the nature of the EU (Lodge, 1978, p. 304).

Since 2002, the number of works pertaining to EU-NZ relations has dramatically increased and, under the guidance of Professor Martin Holland at the National Centre for Research on Europe, University of Canterbury, the topics have

diversified. Gibbons and Holland (2007) presented a more nuanced analysis of the relationship, focusing not only on trade and economic relations but also on immigration policy, diplomatic relations, how the news media depicted the EU in New Zealand and investigations of perceptions through public opinion surveys. In addition, Gibbons (2008) presented an in-depth overview, also including tourism and people-to-people relations.

Since 2002, Holland and Chaban have undertaken annual studies on EU perceptions in New Zealand. As a result, out of the ten Asian-Pacific countries presented in this special issue, the longitudinal New Zealand analysis offers a unique perspective of how perceptions have evolved over time. In addition, a retrospective analysis has also been undertaken, analysing perceptions of the European Union from the 1950s to the 1970s. Below is a brief literature review from some of the previous New Zealand perceptions projects, of which this study is part.

4. EU-NZ relations: media, public opinion and elite perspectives

In an ongoing study, Chaban and Coleman (2009) have measured how early efforts at European integration (in the 1950s) were received in New Zealand, as well as in later years when New Zealand became aware that European integration would directly impact its livelihood (in the 1960s and 1970s). Focusing on the run-up to the Schuman Declaration, Chaban and Coleman (2009) analysed New Zealand's opinions towards the European Coal and Steel Community (ECSC) through looking at key documents, academic papers as well as major newspapers. Echoing McLuskie (1986), from a political perspective, Chaban and Coleman (2009, p. 4) found that in the 1950s Europe was largely absent from any political discourse in New Zealand, due to the fact that Britain had elected to continue to keep itself separate from the rest of the continent. According to Chaban and Coleman, New Zealand's reaction to Britain's moves to join the EEC may be broadly divided into two parts. It was split between the 'pragmatic' approaches whereby officials accepted that Britain's accession was inevitable and so New Zealand would best make the most out of the situation and a more, negative reaction. (Chaban & Coleman, 2009)

Holland and Chaban have led a number of research projects looking at New Zealand's perceptions on the European Union from the point of the view of the media, public opinion and elites (see, e.g., Chaban, Holland *et al.*, 2005; Chaban, Holland & Schneider, 2007; Bain, 2007; Holland *et al.*, 2005; Chaban &

Coleman, 2009; Kelly, 2010). From the perspective of the media, findings from 2004 found that the EU was reported on primarily when it had local importance to New Zealand and *usually* from a minor perspective (45%); in addition, the EU was primarily depicted as a political actor (Chaban, Holland *et al.*, 2005).

Holland and Jones (2005, pp. 231–240) summarised the 2004 public opinion findings by noting that although the EU was a very important trading partner for New Zealand, this was not perceived by ordinary New Zealanders. In addition, issues of apparent significance tended to be those which were ‘close to home’ for New Zealanders. According to Holland and Jones,

[g]iven the Commission’s current “communication deficit”, there are clear lessons that can be drawn from this Antipodean survey: it remains to be seen whether the EU is sufficiently interested and capable enough of translating these into practical initiatives outside its borders (Holland & Jones, 2005, p. 230).

The results of the elite interviews showed a greater awareness of the EU than that of the general public. According to Holland *et al.* (2005), New Zealand’s political elite rated the EU highly for reasons of shared history and culture as well as significant established trade relations. This perception meant that there was a belief that the EU’s importance would either remain constant or improve. In addition, the political elites noted that it is important that New Zealand maintains diverse relations around the globe. The New Zealand business elite also rated the EU-NZ relationship highly. However, there was more reservation with the EU seen as a “challenging” partner due to its stringent rules, regulations, and tariffs. These reasons meant that the New Zealand business elites were more interested in trading with other partners such as Australia, the US, Canada and increasingly Asia. The New Zealand media cohort was on the whole more positive towards the European Union than their counterparts in Australia and Thailand, with its importance not only due to economics but also people-to-people relationships. In contrast to the other two cohorts, there were a number of media respondents who believed that the EU’s importance would decrease in the future. For New Zealand’s elites, there were a number of issues, which were perceived to have the most impact on relations—trade (e.g., the EU’s role in the WTO), agricultural subsidies, the Kyoto protocol, human rights policies, enlargement and the euro.

Although much has been written about previous New Zealand perceptions on the EU, to date only three papers have focused on a longitudinal perspective. These studies have addressed the portrayal of EU enlargement (Chaban & Gibbons,

2006) and the constitutional process in the New Zealand print media (Chaban, Sammon & Condren, 2010, p. 149–278) as well as EU ‘actorness’ (Chaban, Holland & Schneider, 2007).

Chaban and Gibbons (2006) have analysed how the EU enlargement of 2004 was portrayed in the New Zealand print media between January 2000 and May 2004. In sum, the EU was presented in the New Zealand media as a predominantly political, neutral and minor actor. In reflecting on the international ‘actorness’ of the EU in New Zealand print media’s coverage of the EU between 2004 and 2005, Chaban, Holland and Schneider (2007, p. 72) noted that on the one hand the EU was depicted as a

large, supranational state-like actor on the international stage. On the other hand, it was more often represented as a ‘motley’ collection of individual states united by economic imperatives, aspiring to have common foreign policy, yet ending with joined political initiatives with various degrees of success.

Chaban, Sammon and Condren’s (2010) examination of New Zealand newspaper coverage in 2004, 2005 and 2007 found that New Zealand’s media coverage of the constitutional debate peaked with the French and Dutch ‘no’ votes and was at its lowest ebb when the treaty was successfully reignited under the guidance of the German Presidency. As they noted, “Evidently, good news on Europe does not sell!” (Chaban, Sammon & Condren, 2010, p. 274). The authors also noted a deficit in the media representations of the EU, arguing that there was very little concern with how EU citizens viewed the constitution, even though they would presumably be the most affected by it.

Since these studies were conducted, the EU has launched a number of initiatives to improve the way it is understood both inside and outside its borders. The most significant of these developments was the appointment of a Commissioner for Communication. For third countries, the most substantial change was the Lisbon Treaty’s capacity to improve the coherence and capability of EU foreign policy. Therefore, the 2011 study is especially significant because of its ability to measure the success of these initiatives. The findings below outline a progressive impression of how New Zealand elites viewed the European Union.

5. Findings

5.1 Findings of 2005

The selected interviewees were asked, ‘Is the EU a great power?’ The overwhelming response to this question in 2005 was that it was “an emerging great power” (political elite, henceforth PE), displaying “greatness” in some respects. For instance, a media respondent noted that “they’re a huge trading bloc” and its influence at the World Trade Organisation was also prominent. In terms of its potential, it was noted that it was “definitely a great power of the future and one that could possibly rival the US” (business elite, henceforth BE), continuing “to expand in terms of its breadth” (BE).

In addition to its importance in economics, the EU’s political strength in relation to dealing with tension in the Middle East as well as its presence in the Pacific were also noted. However, not all answers were positive and some skepticism was present. For instance, one political elite noted, “I don’t think it’s [i.e. the EU] a great power in the sense we might previously have used that word”. This referred to the EU’s inability to act coherently in the Iraq War and also to its continuing reliance on both NATO and individual Member States in situations of conflict.

When respondents were asked, ‘specifically about politics, do you see the EU as a leader in international politics?’ answers were also reserved. For instance, the EU’s leadership in environmental affairs was noted, with political elites appearing to be the most positive about the EU’s political ability. One answer was: “Yes, I do, it already is to some degree, I think [it] will continue to grow and develop, [and] be in quiet a leadership role in time to come” (PE). Another noted its leadership as being “because it is so many different cultures together living close”.

On the other hand, the comment was made that the EU “does not exercise the leadership in a way that I would call a real leadership” (PE) and the lack of discussion pertaining to the EU getting a permanent seat on the UN Security Council was cited as a reason for the EU not being a world leader. Unsurprisingly, the respondents also raised the negative impact of the Common Agricultural Policy (CAP) on New Zealand’s economy.

When asked to rank the importance of the European Union compared with other regions, respondents in 2005 classified the EU as “very important” (BE) and aligned with “four other Anglo nations: namely the US, Britain, Australia, and Canada, in what you might call ‘the high five’” (PE). Indeed, the EU was most

often ranked in the top three alongside the United States and Australia. This was because “its economic power and direction is more relevant than either China or the United States—long-term” (PE).

However, the impact of British accession, and the negative impact of this on New Zealand, was still in the minds of New Zealand elites. “I can’t think of anything in recent decade of NZ history had such a profound effect on our country as Britain’s decision to join the European Common Market, which had huge impact on NZ which still reverberates to this day” (PE). There was also an increasing awareness of Asia, especially amongst the business elite, though not necessarily China, Japan and Korea were cited as being important. As one key informant commented: “We are so on the fringe of Asia, a lot of Asians are reluctant to think about us as being part of them” (PE).

5.2 Findings of 2008

In 2008 New Zealand elites thought that the EU was “a great power economically, politically and culturally” (BE) and “to a lesser extent militarily,” (media elite, henceforth ME) with a “growing influence in the world in terms of trade” (PE). Its soft power influence, for instance, in development promotion and human rights was also acknowledged. Echoing the 2005 respondents, the EU’s *potential* was noted, “It is capable of being a great power” (PE) and, “I see it as a force for potentially great achievement” (PE).

EU’s diplomatic efforts were also important for the 2008 interviewees. “For example, the European Parliament’s position on Burma holds a lot of sway internationally. I think efforts that the EU makes are equally important as efforts that the US makes and I think they can be complimentary” (PE). “They have amongst them the highest standards in the world in one area or another, whether it’s humanitarian standards, labour standards or human rights standards” (PE).

The EU’s environmental policy was also viewed as being highly relevant for New Zealand:

I think the main interesting thing is how it is handling climate change, environmental issues being handled in a highly developed urban set of countries and that will be of significant interest to Australia and New Zealand. How they handle waste, how they handle water, how they handle transport and congestion, housing, and the style of housing stock you build, the insulation, the energy efficiency. I think that is likely to have a real impact on New Zealand. (ME)

The political elites were aware of the diplomatic potential presented by the Lisbon Treaty: “whilst there have been wobbles with Lisbon I think these are setbacks and not U-turns on the idea of a Union”. The interviewees from the media cohort all spoke of the debt crisis. Surprisingly, any mention of the crisis was positive with the comment made: “I think it’s a bit ridden with internal pressures at the moment but as we go along I think that Europe will emerge as a greater power than it is now” (ME). Another respondent said, “I think interestingly the financial crisis has brought Europe back into the picture quite substantially. It remains economically significant simply due to the size of it” (ME). “I see its future as economic, despite the recession (ME).

A few respondents felt that the EU was not a great power, and not likely to become one. One representative of political elite made the comment, “I don’t know if I was thinking about great powers I would necessarily instinctively think of the EU”. This perceived deficiency in power was due to the EU being unable to “speak with one voice or one mind” (PE), with “many kinds of member states pulling [the EU] in different directions” (PE) and no “military power at all”.

While the EU was not perceived to be a great power, in the 2008 interviews there appeared to be a more affirmative stance on whether the EU was a leader in international politics. For instance, one political elite thought that “it [i.e. the EU] has a big voice and real power”. Particularly in areas where it is able to reach a common position: “the EU has a very unified approach to climate change with governments on the left and the right supporting a unified position” (PE). The EU’s soft power was mentioned in relation to climate change and the success of its common currency. The only negative perception raised in response to this question was regret that the EU was “underperforming a little bit in a role that they could be playing” (PE). In other words, the EU was viewed as a positive influence world-wide.

When comparing the importance of the EU to other prominent regions, in 2008 it was noted that what, “Europe has for New Zealand is a very, very strong cultural pull” (PE) that makes it difficult for New Zealand to ignore. Moreover, its significance as a destination for trade and in particular for its sheep meat was also noted: “I would say it is critically important” (PE).

Despite these seemingly positive comments, by 2008 it was becoming clear that the EU’s value in New Zealand was declining in favour of regions closer to home. For instance, a business elite made the comment that “the EU is declining relative to other areas, in other words regions such as Southeast Asia and South America are becoming increasingly important while the EU stays largely the

same”. In particular, the increasing significance of Asia, particularly ASEAN, was most often mentioned. One politician noted the importance of Asia not only for economic reasons, “but also because of relationships and that of stability in the region”.

Despite the growing prominence of Asia, a note of caution was mentioned, “I know in recent years in particular we have focused on nations that are in our back yard, but I think that we shouldn’t underestimate the importance of our traditional trading partners” (PE).

5.3 Findings of 2011

When an identical questionnaire was posed in 2011, the EU continued to be seen as a ‘great power’; again, this was especially noted in the economic sphere and put down to its “sheer size [... it has] the richest people on the planet” (BE). Respondents stressed its role as a soft power, in combating climate change and in promoting multilateralism. As noted above, interviewees in 2011 included a civil society cohort. This group was generally more positive about the EU’s influence than the other cohorts. As one civil society commentator noted: “the combined strength economically and politically does earn it the collective rank of one of the three most dominant powers around the globe”.

However, despite these positive comments, in contrast to previous years, there was a real sense from the interviews that the EU’s relevance and power was decreasing. In this respect, the impact of the current economic crisis was also evident. Respondents noted that the EU was “falling apart politically”. One business leader summed up the feeling by saying, “economically, they are sort of stuffed. Politically they can’t agree on much and as a military power... I would have thought they are far less influential than they have ever been.” This commentator finished his discussion by calling the EU a “toothless old lion”. In addition, two political elites noted that the EU is “rapidly unravelling” and “used to be the power”. When asked if this sort of feeling is because of the current Europe’s economic crisis, one business elite replied affirmatively: “Yes I do, I think the world is leaving them behind”.

In the question specifically about politics, the EU was again seen as a leader in terms of economics, agriculture, trade, aid, and surprisingly, as a military leader in 2011. One media elite commented, “In soft power it is to some extent in the environment and certainly it is the case with things like climate change”. Both civil society and business leaders noted its ‘untapped potential’. For instance, “They are leading the thinking on the more ‘why are we doing this?’ ‘what is

the economy about?” and “I see it as a huge world influence and *potentially* massive”.

However, the answers to this question were more often negative and again cited the EU’s diminishing leadership qualities as it is “dysfunctional” (ME) and “bogged down” (civil society elite, henceforth CSE) at the moment. All cohorts mentioned the confusion of the EU and the continuing importance of Member States. One business elite made the following conclusion:

As long as there is no United States of Europe, as long as it is not a real federation, it’s not going to have the political force that 500 millions of people have with its economy would have if it had just one voice. But, nonetheless, it’s extremely important. Nothing can happen without the European Union. So I think it is still an important force.

Finally, in 2011 the business, political and civil society leaders were asked to compare the importance of the EU to other regions. This time most respondents were willing to give a ranking. The EU still ranked as the number one importance for certain industries, such as sheep meat and viticulture (before the US and China). The EU was also ranked number one by commentators who were not primarily focused on trade. For instance, one respondent answered: “My focus is not on trade, so I always put Europe at the top” (CSE) and another noted that “in terms of where we should be pushing as a social model we should be looking at Europe in terms of what can be done” (CSE). In addition, one business elite, who also writes regularly for a newspaper, summed his opinion about the importance of the EU, ranking its importance according to the issue at hand: “In heritage terms, number one. In economic opportunities [the EU is] number five—after China, ASEAN, India, [and] the United States” (BE, media commentator).

All respondents noted the EU’s diminishing influence. Sometimes these comments were wistful, recalling a bygone era; others were overtly negative. However, the most common response was neutral. One business leader noted: “I see it as a diminishing power to put it bluntly. China, India, they are going to be the future economies of the world”. (BE) Another noted that its demise has been in the last “5 or 10 years” when “the two economic powers were the European Union and the Americas [...] but now they’re not because now you’ve got China and Brazil” (BE).

Another compatriot delved even further into history: “Once I would have said that England and Europe were New Zealand’s top markets—back in the early 70s [...] Australia, China, and America, probably from our exporting perspective, they are our biggest markets at this stage.” (BE)

Indeed, the impact of British accession and protectionism for its agriculture was referenced a number of times. One former Minister of Agriculture was particularly scathing about past interactions with the EU noting, “I’m looking forward to the day we can say don’t bother we have plenty of business in India, you can go and eat someone else’s lamb we don’t care, there are more millionaires in India”.

As well as mentions of China, ASEAN, Australia, India and the US, “South America and the Middle East” were also sometimes raised and placed ahead of the EU, “particularly for dairy consumption” (BE). Although many of the commentators were not necessarily concerned about the “diminishing” importance of the EU, a few noted cautiously that: “We shouldn’t be trying to decide what to choose unless the choice is forced on you” (BE, former ambassador) as it was “still really important for us we have long term relationships there” (BE).

In order to support the above findings, the final question presented was: ‘On a scale of 1 to 5, with 5 being very important and 1 being not important, rank the importance of the EU both presently and in the future’. This quantitative question charts how the importance of the EU in the eyes of New Zealand’s elite has changed over time. As demonstrated in Figure 1, the EU was ranked as a 3.89 presently with the ranking increasing to 4.14, giving the overall impression from the interviewees in 2005 that the importance of the EU would gradually increase over time. Although there was only a small increase between the two rankings, it is nevertheless a significant finding. Indeed, all three cohorts from 2005 consistently believed that the EU’s importance would increase in the future.

Figure 1. Rank the importance of the EU: 2005

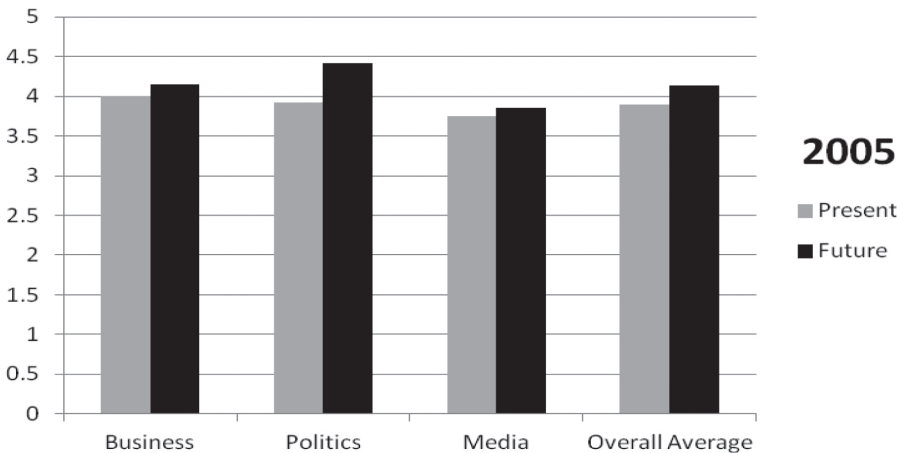
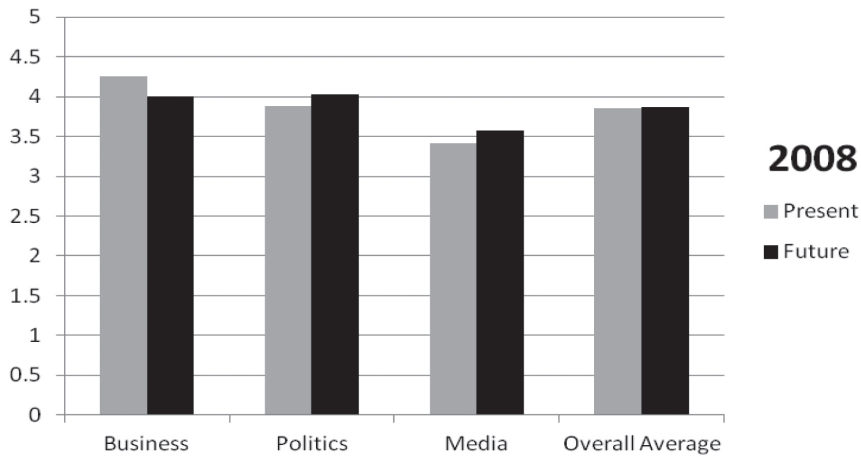
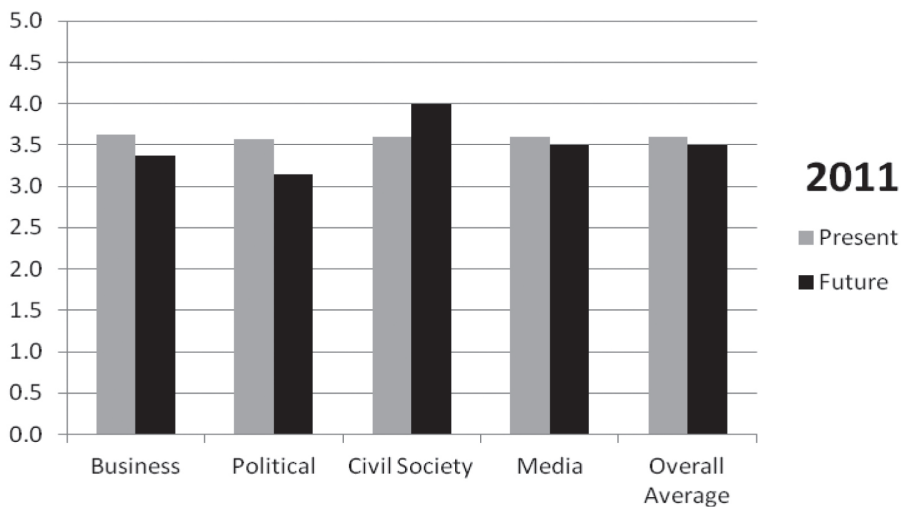


Figure 2. Rank the importance of the EU: 2008



As displayed in Figure 2, the 2008 interviewees on average believed that the EU's importance would increase but, compared to the 2005 interviews, the difference decreased to 3.85 for the present ranking and 3.87 for the future. In addition, not all cohorts viewed the EU as becoming more important. For instance, on average, business elites believed that the EU's importance would decrease in the future. Although it is difficult to make generalisations about this development, a reason for this decrease could be the impact of the euro crisis as well as the increasing importance of other regions, such as Asia, for New Zealand's exporters.

Figure 3. Rank the importance of the EU: 2011



Finally, Figure 3 shows the findings to this question from the 2011 interviews. All three previously interviewed cohorts believed that the importance of the EU would decrease in the future. Only the civil society cohort was positive about the EU's future potential. Again, this finding reflects the negative impact of the eurozone's economic crisis on perceptions of the European Union, which by the end of 2011 had become increasingly bleak.

5.4 Understanding the findings: practical and theoretical perspectives

This paper has presented a longitudinal analysis of New Zealand elite perceptions on the European Union. Based on the findings presented above, a number of conclusions may be made. New Zealand, with a population size over 4 million inhabitants, continues to view itself as a small state. As a long recognised like-minded partner of the European Union, understanding how New Zealanders view the EU is important.

As noted above, much of a small state's economic security comes from external factors. New Zealand suffered particularly when Britain joined the European Economic Community and it was forced to look for other markets for its survival. This perception continued amongst elites, though it has dissipated as time progressed. Discussion from 2005–2011 included less negative discussion about the EU's CAP and agricultural policy. On the other hand, by 2011 there was also less discussion about the EU's potential and a more concerted discussion about the importance of Asia to the New Zealand economy and to its future. Small state theory highlights the importance of multilateralism and regionalism. Indeed, regionalism and interaction with ASEAN is seen as increasingly important for New Zealanders. This may be a result of the rise of Asia's middle class as well as more pragmatic geopolitical reasons—Asia is closer.

The change in perceptions over a nine-year period indicates something more complex than mere geopolitics. The EU is a firm supporter of both multilateralism and regionalism and has more recently pursued bilateralism both economically and politically in the form of free trade agreements and designated 'strategic partners'. However, New Zealand has not been included in either category. This lack of direct interaction with New Zealand may partly explain the negative change in perceptions.

In addition, the internal friction currently facing the European Union and the eurozone cannot be ignored. Indeed, many of the negative perceptions of the EU displayed in 2011 referenced the negative impact of the economic crisis on the

eurozone. Indeed, in 2005 and 2008, perceptions on the success of the common currency and crisis were actually viewed positively.

Although over time the elite interviewees believed the EU's importance to be diminishing, this observation was often made with regret, given New Zealand's historical and cultural connections to Europe. Moreover, some of the 2011 interviewees cautioned that it may be dangerous in the long term to New Zealand's economic wellbeing to completely dismiss such a large regional grouping. Indeed, New Zealand's 'small state' status means that its economy is particularly vulnerable. Having strong relations with many partners would be to its advantage, though it is not always economically feasible.

Dr. **Serena Kelly's** PhD thesis was a world first to examine the potential impact of the European Union's European External Action Service, the diplomatic service of the EU. Dr. Kelly has also been involved in a number of research projects examining the external perceptions of the European Union. These projects include media analysis, elite interviews and public opinion surveys. Most recently, Kelly was acting as project coordinator for 'After Lisbon: The EU as an Exporter of Values and Norms through ASEM', a project which analysed perceptions of the EU in ten ASEM countries. She also undertakes the New Zealand side of the research.

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