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NEW ZEALAND'S RELATIONS WITH NORTHEAST ASIA: LINKS AND INTERACTIONS UNDER GLOBALISATION

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ABSTRACT

In the mid-1980s New Zealand embarked on a path of radical economic reform. The changes that occurred and are still occurring in New Zealand are in part, of external origin and came about from an opening of the domestic economy to wider forces thereby re-incorporating New Zealand into the global economy.

Le Heron and Pawson (1996) propose that in the 1990s, economic globalization -- the process of integration, deepening and differentiation of economic activities throughout the world -- has lead to new links and interactions. In seeking to identify the external and internal forces leading to the development of new links and interactions between New Zealand and Northeast Asia (Japan, Taiwan and Korea), analysis is made of changes occurring within investment, production and trade connections. This thesis is informed by two bodies of literature: the world systems literature stresses the development of inter-country relationships in an historical context, and political economy literature links resource regimes to periods of capitalist accumulation.

In order to remain active participants in the global economy New Zealand enterprises and industries are pursuing strategies of linking into the Northeast Asian economies. Two key economic sectors, agro-food and forestry, have been chosen for investigation in order to examine changes as New Zealand industries, enterprises and local regions seek to achieve greater integration into the Northeast Asian region.

A re-articulation of production is occurring as New Zealand's agro-food sector is incorporated into a Northeast Asian food import complex. Changing patterns of production and consumption are examined within the context of the food regime perspective. While new opportunities are increasing for New Zealand agro-food exporters, trade still reflects New Zealand's traditional export base of first and second food regime products from the beef and dairy sectors. The expansion of a fresh fruit and vegetable complex represents an emerging third regime.
Since the mid-1980s the New Zealand forestry sector has become increasingly integrated into a national complex centered upon Japan. The dismantling of the national regulatory regime introduced a number of foreign investors and subsequently led to the reorganisation of trade and production networks. Prior to this time, forestry exports to Northeast Asia were inconsistent, comprising mostly logs and low value products with processing occurring in Japan. While unprocessed exports remain a significant composition of forestry trade there is a move away from low value products into more end-use-application specific production. This is accompanied by a shift in production facilities and an increase of economic surplus in New Zealand.

Land based industries in the Hawkes Bay provide examples of local adaptations of production to agro-food and forestry complexes centred upon Northeast Asia. Integration into these complexes has facilitated access to new markets and resulted in increasing degrees of added value. This has only been possible in the context of the gradual relaxation of regulatory regimes that has occurred over the past two decades. In some cases, integration is an outcome of Northeast Asian ownership of New Zealand based nodes along the commodity chain. In others, it is an outcome of New Zealand actors producing to meet 'site of consumption' demand.

In spite of New Zealand's adjustments to globalisation, it essentially remains a semi-peripheral production site.
ACKNOWLEDGEMENTS

It was the best of times, it was the worst of times,
It was the age of wisdom, it was the age of foolishness,...
It was the spring of hope, it was the winter of despair

A Tale of Two Cities
Charles Dickens

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# CONTENTS

## CHAPTER 1: INTRODUCTION

1.1 From 'Asian Economic Miracles' to 'Asian Financial Crises'?  
1.2 New Zealand and Asia  
1.3 Thesis Approach  
1.4 Objectives  
1.5 Thesis Organisation  

## CHAPTER 2: THEORETICAL FRAMEWORK: GEO-ECONOMIC AND GEO-POLITICAL RELATIONS

2.1 Introduction  
2.2 The Capitalist World Economy: A World Systems Perspective  
2.2.1 Formation of the Capitalist World System  
2.2.1.a Core-Periphery Hierarchy  
2.2.1.b Multiple State System and Hegemonic Leadership  
2.2.2 Global Capital Accumulation  
2.2.3 Sub-themes Emerging from within the World Systems School  
2.2.3.a Global Commodity Chains  
2.2.3.b Food Regimes  
2.3 Political Economy Literature  
2.3.1 Geographic Restructuring Model  
2.4 Developing a Synthesis: The World Systems Perspective and the Geographic Restructuring Literature: Application for Study  
2.5 Conclusion  

## CHAPTER 3: CONTEXTUAL FRAMEWORK: LIBERALISATION, REREGULATION AND NATIONAL DEVELOPMENT

3.1 Introduction  
3.2 Liberalisation as an Economic Philosophy  
3.2.1 Multilateralism and Regional Cooperation  
3.3 Key Facilitators  
3.3.1 The Chaebol  
3.3.2 Sogo Shosha  
3.4 Liberalisation and National Responses  
3.4.1 Outward Foreign Direct Investment  
3.4.1.a Korea  
3.4.1.b Taiwan  
3.4.1.c Japan  
3.4.2 Inward Foreign Direct Investment  
3.4.2.a Korea  

---

```
1  
3  
5  
7  
9  
12  
13  
14  
15  
17  
19  
21  
22  
23  
24  
26  
27  
28  
31  
31  
32  
34  
34  
39  
44  
44  
44  
44  
44  
52  
61  
67  
67
```
3.4.2.b Taiwan
3.4.2.c Japan
3.4.3 Discussion
3.5 Reregulation of New Zealand's Capital Market
  3.5.1 The Establishment and Relaxation of Controls
  3.5.2 Outward Foreign Direct Investment
  3.5.3 Inward Foreign Direct Investment
3.6 Conclusion

CHAPTER 4: RESEARCH FRAMEWORK: QUALITATIVE INTERVIEW-BASED COMPANY AND GOVERNMENT RESEARCH

4.1 Introduction
4.2 Research Methods
4.3 The Fieldwork Process
4.4 The Interview Process
  4.4.1 The 'Fishing Method'
  4.4.2 Use of a Question Sheet
  4.4.3 Language and Culture
  4.4.4 Interviewees and Company Representation
  4.4.5 Multiple Contacts
  4.4.6 Regional Differences
4.5 Conclusion

CHAPTER 5: AGRO-FOOD TRADE: NEW ZEALAND'S INCORPORATION INTO A NORTHEAST ASIAN IMPORT COMPLEX?

5.1 Introduction
5.2 Agro-Food Regime Literature
5.3 Beef Sector
  5.3.1 Preconditions for Northeast Asian-New Zealand Interactions
    5.3.1.a Cairns Group
    5.3.1.b Uruguay Round
    5.3.1.c Korea's import system
    5.3.1.d Japan's import system
    5.3.1.e Taiwan's import system
  5.3.2 New Zealand Initiatives in an Emerging Market
  5.3.3 Agro-Food Capital and Rescaling of Interactions
    5.3.3.a New Zealand investment capital
    5.3.3.b Japanese investment capital
    5.3.3.c Taiwanese investment capital
    5.3.3.d Korean investment capital
  5.3.4 The Impact of the Financial Crisis
  5.3.5 Summary
5.4 Dairy Sector
  5.4.1 World Dairy Scene and New Zealand Dairy Board's Prominence
CHAPTER 8: CONCLUSION: THE CORE-PERIPHERY HIERARCHY REVISITED

8.1 Changing Links and Interactions
8.2 A Deepening and Integrating of Economic Linkages?

REFERENCES

References 215
Personal Communication and Other Key Informants 232

APPENDICES

Appendix 1.1 Timeline of Korean Economic Crisis Events: May 1997-May 1998 236
Appendix 3.1 1996 Comparative Ranking of the Top 10 Companies each from New Zealand and Northeast Asia 237
Appendix 3.2 Exchange Rate Comparison against $NZ 238
Appendix 3.3 Approved Investment by Korean Interests in New Zealand 239
Appendix 3.4 OIC Approved Investment Applications: Arbitrary Selected Period 240
Appendix 3.5 New Zealand Investment in Korea 241
Appendix 3.6 New Zealand State-Owned Asset Sale (December 1995) 242
Appendix 3.7 The Foreign Investment Policies of New Zealand - A Summary 244

Appendix 7.1 Marketing of an Image 250
# FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1</td>
<td>Ownership Structure of Korean Chaebol</td>
<td>35</td>
</tr>
<tr>
<td>3-2</td>
<td>Evolution of Korean Chaebol</td>
<td>36</td>
</tr>
<tr>
<td>3-3</td>
<td>Horizontal and Vertical Keiretsu</td>
<td>41</td>
</tr>
<tr>
<td>3-4</td>
<td>Direct Investment Flows: Korea</td>
<td>49</td>
</tr>
<tr>
<td>3-5</td>
<td>Exchange Rate Comparison against $US</td>
<td>50</td>
</tr>
<tr>
<td>3-6</td>
<td>Direct Investment Flows: Taiwan</td>
<td>56</td>
</tr>
<tr>
<td>3-7</td>
<td>Direct Investment Flows: Japan</td>
<td>64</td>
</tr>
<tr>
<td>3-8</td>
<td>Direct Investment Flows: New Zealand</td>
<td>80</td>
</tr>
<tr>
<td>5-1</td>
<td>Beef Exports</td>
<td>105</td>
</tr>
<tr>
<td>5-2</td>
<td>Distribution of Imported Beef in Korea, 1996</td>
<td>110</td>
</tr>
<tr>
<td>5-3</td>
<td>Dairy Exports</td>
<td>126</td>
</tr>
<tr>
<td>5-4</td>
<td>Fruit and Vegetable Exports</td>
<td>133</td>
</tr>
<tr>
<td>5-5</td>
<td>Zespri International Distribution System</td>
<td>140</td>
</tr>
<tr>
<td>6-1</td>
<td>Production Chains in Geographical and Organisational Context</td>
<td>147</td>
</tr>
<tr>
<td>6-2</td>
<td>Fletcher Challenge Forests: Production Chain Components</td>
<td>162</td>
</tr>
<tr>
<td>6-3</td>
<td>Joken Nissho: Production Chain Components</td>
<td>168</td>
</tr>
<tr>
<td>6-4</td>
<td>Inter-relationship Networks</td>
<td>170</td>
</tr>
<tr>
<td>7-1</td>
<td>The Hawkes Bay Region</td>
<td>181</td>
</tr>
<tr>
<td>7-2</td>
<td>New Zealand Squash Exports to Japan</td>
<td>190</td>
</tr>
<tr>
<td>7-3</td>
<td>New Zealand Asparagus Exports to Japan</td>
<td>191</td>
</tr>
<tr>
<td>7-4</td>
<td>Regional Paid Apple Crop 1997</td>
<td>192</td>
</tr>
<tr>
<td>7-5</td>
<td>New Zealand Apple Exports to Japan and Taiwan</td>
<td>192</td>
</tr>
<tr>
<td>7-6</td>
<td>Changes Occurring within the Hawkes Bay Meat Industry: An Overview</td>
<td>195</td>
</tr>
<tr>
<td>7-7</td>
<td>Planted Forest Owners and Managers in Hawkes Bay</td>
<td>198</td>
</tr>
</tbody>
</table>
TABLES

Table 3-1: Korea's 30 Leading Conglomerates - 1 April 1997 38
Table 3-2: *Sogo Shosha* in New Zealand 42
Table 3-3: Phases of Internationalisation of Japanese Keiretsu Groups, 1947-85 43
Table 3-4: Development of Outward FDI from Korea: A Summary 45
Table 3-5: Determinants of Capital Flow in Korea 47
Table 3-6: Approved Outward Investment from Korea 1968-1996 51
Table 3-7: Evolution of Taiwan's Outward FDI Regime 54
Table 3-8: Approved Outward Investment from Taiwan 1952-1996 57
Table 3-9: Development of Outward FDI from Japan: A Summary 65
Table 3-10: Japanese Direct Investment Abroad 1984-1994 66
Table 3-11: Approved Inward Investment in Korea 1962-1996 69
Table 3-12: Approved Inward Investment in Taiwan 1952-1996 72
Table 3-13: Inward Investment in Japan 1984-1994 74
Table 3-14: New Zealand Direct Investment Abroad 81
Table 3-15: Foreign Direct Investment in New Zealand 82

Table 4-1: Regional Differences: A Summary 97

Table 5-1: Korean Beef Liberalisation Schedule and Importation Costs 107
Table 5-2: Evolution of Kiwifruit New Zealand 137

Table 6-1: Crown Forest Sales 152
Table 6-2: Exports of Logs and Poles 154
Table 6-3: Exports of Sawn Timber 154
Table 6-4: Exports of Panel Products 155
Table 6-5: Import Volume of Logs and Timber into Japan 1995 by Major Trading Houses 157
Table 6-6: Investment by Northeast Asian Companies in the Forestry Sector in New Zealand 164

Table 7-1: Buttercup Squash: Land Area and Grower Data 1990-1998 190
Table 7-2: Pan Pacific's Publicly Announced Investment Intentions 199

Table 8-1: Examination of New Zealand-Northeast Asia Core-Periphery Relations 211