

A Region Without War? NZ's Asia-Pacific Strategic Environment

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Conflict has shaped our world From the 17th century 30 Years War that led to the state system more or less as we know it today to the world wars of the last century, the international and regional environments today owe a lot to conflict. Our historian colleagues tell us also that New Zealand's national identity was forged 100 years ago in conflict. I'm not qualified to comment on that, but I can certainly say that I hope that the identity assumed by my children and yours and their children in turn is not similarly developed out of conflict. I would also hope that the regional environment is not shaped by future conflict.

First, an intellectual health warning. There is little objective about my talk this evening. We all bring perspectives and assumptions to our analysis of world affairs. I am no different. I hope I'm aware of my biases and I hope I take them sufficiently into account. The real issue it seems to me is not, is the story correct, but has the story teller examined his or her own analytical perspectives to ensure they aren't hiding an obvious but unseen conclusion. We can all think of examples of this in the recent past. I urge you therefore to listen and continually ask yourself, 'what is Rolfe not telling us?'

Let me start with some recent headlines about events in the region, all from the last few weeks and in no particular order:

- Dispute over the South China Sea could put East Asia at war again
- How to Deter China
- New age of water wars portends 'bleak future'
- Water Scarcity Risks Being a Source of Conflict
- In a Test of Wills, Japanese Fighter Pilots Confront Chinese
- Laos Dam Risks Damaging Mekong River, Igniting Tensions With Vietnam
- China releases paper denouncing Philippine 'pressure' over sea dispute arbitration
- US military-industrial complex cannot survive without conflict: Analyst
- Pentagon Says China Willing To Tolerate More 'Regional Tension' To Expand Power And 'Defeat Adversary Power' Including US
- China Swallowing Up Territory, Neighbors in Fear

Scary stuff, and a casual reading of these and many others similar would perhaps point towards a sense that the world is indeed a dangerous place in which we have if not 'the war of all against all', then one in which 'the strong do what they can and the weak suffer what they must'. Many will recognise those two quotations, which are often trotted out at events such as this. As a small state, perhaps a weak one, on the analysis of those headlines we

should then, take care and take active measures to protect ourselves against looming armed conflict in the wider region, if not immediately close to home.

Or perhaps not.

The rest of my discussion will focus on why I don't see either the diagnosis or the prescription as being necessarily accurate, certainly not so likely that we should be in any sense panicking, or even taking any military measures beyond what we do for business as usual purposes.

That last thought has been signalled in the publicity for this talk, but it is not the usual conclusion from people who look at these issues from a strategic studies perspective rather than from, for example, a peace studies perspective.

I am a strategist, or at least, as Director of the Centre for Strategic Studies and in another life Principal Advisor, Strategic Policy in the Ministry of Defence, I think about strategy and strategic issues a fair bit.

But I am not typical of the well-known strategists who talk at length about the China threat, or the cyber threat, or the terrorist threat as potentially life-changing and nation threatening events. Yes, these are important and difficult issues, but strategically speaking, I don't see them as defining or decisive in terms of the ultimate question, the survival of the state in ways that allow it and its citizens to operate in the world in the manner more or less of their own choosing. In other words, right now, I don't see any significant enemy (which is not to say that a dangerous enemy couldn't appear at quite short notice given a significant shift in the strategic environment – some form of strategic shock).

This is what makes me different from many colleagues. An Australian strategist said to me some years ago 'Jim, I'm a strategist. I have to have an enemy without an enemy I don't have a job'.

I disagree with that position and much of the rest of this talk will be about why.

But none of this is to say that the region is without tension, sometimes conflict. Even then, of course, our region however defined is not the most worrying in terms of international peace and stability.

I should note here that I will be talking primarily about inter-state rather than internal conflict, recognising that internal conflict can easily spill over state borders and lead to tensions, perhaps crisis and occasionally conflict between states.

Let me start with that well-known academic habit of defining the terms. A habit that was denounced by a colleague some years ago as a device to avoid talking about what to do. But, in my view one shouldn't talk about what to do until one has decided what it is one is talking about and, even more importantly, one's audience knows also.

First the region. I've been asked to talk about the Asia-Pacific, but that is a term with a multitude of meanings. I'm choosing to focus on Southeast and North Asia as being the areas that the combination of importance to us and the possibility of conflict combine to mean that they are more significant to us than, say, the South Pacific or South Asia, let alone the Middle East and Africa which are where most of the world's conflict is today. I should say here that I do not neglect the South Pacific as being important to New Zealand, but it is important less because it is or could be a source of insecurity to New Zealand

(although it could in some circumstances) and more for a range of historical, cultural and geo-political reasons. Not though, in my opinion, for strategic reasons.

So, what countries are we talking about here: Primarily, in North Asia, China, the Koreans, Japan and perhaps Russia, in SE Asia, the 10 ASEAN states. As well the US, Australia and India, all strictly speaking external to the region, have inserted themselves into the security debate in different ways as well.

Second conflict and its obverse, peace. What is it and what can we hope for?

Peace is a tricky term.

- Are we at peace when there is an absence of armed conflict between states? Many would argue not, or not necessarily.
- Is it peace when there is internal conflict; when a state is at war with itself? Again, many would argue not.
- If there is internal conflict, is that an issue for the neighbours? That might be an open question, although in this region we have the doctrine of 'non-intervention' which is used to keep the neighbours out.

Some regions (such as the AU) do legally intervene actively in the internal affairs of their neighbours when those affairs threaten regional stability. Other regions (the OAS for example) have a doctrine of 'non-indifference' rather than of non-intervention. Our region is quite different in that respect.

I'm not sure that the crude terms war and peace work well for relations between states these days and even less well for relations within states. Perhaps better is to discuss the continuum of relations between political actors, which might be states and which might include non-state and wannabe state actors. We would see something like this list:

- business as usual, where the status quo is accepted by all;
- differences and disagreements over issues where one side or the other wants to alter the status quo to a greater or lesser extent. Ideally, such differences are resolved through the normal course of diplomatic activity;
- tensions because of unresolved or unresolvable disagreements which become politicised and sometimes unleash nationalist forces that governments are not easily able to control;
- crisis as the level of rhetoric rises, the tensions become militarised; and finally
- conflict.

The aim is always to move towards the left hand end of the continuum, but at worst manage disagreements so they don't become tensions or crises. Using that measure for the regional arena, we can see plenty of business as usual, plenty of disagreements, some tensions, perhaps one or two crisis areas and no sustained armed conflict between states.

We should ask ourselves why we care about conflict? On one level, clearly, it is because we believe that peace is nearly always better than war. At another level it is because we and our way of life may be directly threatened. An existential reason in other words.

For the first of those two reasons for being interested in conflict, the strategist, any strategist, probably has few answers. For the second, this strategist just doesn't see the likelihood.

But all that begs the question of ‘so what if the war isn’t affecting us’? Well, the short answer is that in East Asia any general and sustained war would affect us, if not directly then certainly indirectly and almost certainly severely. Even a lesser conflict between regional powers would affect us significantly and we would always be concerned about the possibility of the conflict widening to become general.

We could be dragged directly into conflict through alliance commitments or through a general commitment to a set of values being held by one side and not the other. This is the fear held strongly by some commentators in Australia who discuss the potential problems of being an enthusiastic strategic supporter of the US, but also having China as the main economic partner. Given that war between the US and China is the worst case, this is a possible problem for New Zealand also, although we are strategically not as close to the US as is Australia and not as reliant on China in trade terms. Nonetheless, if conflict between the elephants came about it’s hard to see us staying completely on the side-lines. I emphasise, in my judgement this situation is logically possible but not practically probable.

But events short of the cataclysm could affect us also. Any regional conflict would be a significant cause for concern because of the potential for it to spread as allies join with each other. Even if there was no spread, a conflict that disrupted regional trade would be a significant worry, given the reliance New Zealand has on trade with East Asia and given the many other links we have developed with that region.

As I have already signalled, though, we should look at the situation as it is rather than as we fear it might be. Let’s go into that in a bit more detail.

Drivers of Conflict

We know that interstate armed conflict is not currently a significant feature of the landscape but there are some potential drivers of conflict. The recently released Defence Assessment argues that ‘although the risk of inter-state conflict remains low, it is rising primarily due to tensions between major actors in the Asia-Pacific’.

Let’s leave aside North Korea and the problems it causes the region because the issues there ebb and flow but seem to be understood.

High on the drivers of conflict we see a range of territorial issues and also tensions in the South China Sea. The latter is a proxy for worries about the rise of China. I want to return to China and the South China Sea in a minute. Otherwise:

- There are many territorial issues between states. Mostly these are being managed, and even when there is armed confrontation (as with Thailand and Cambodia a few years ago) it seems eventually to get managed away, probably because of the ASEAN preference for non-conflictual resolution of issues.
- We see any number of internal conflicts ranging from the minor to the quite serious and some of which have had or could have international consequences either as they spill over borders, or as assistance is given by an external state, or as refugees cause problems in neighbouring countries.
- New sources of tension such as over water, energy or other resources. Many analysts see the coming ‘water wars’ as being the next *casus belli*. They may be correct, and if they are then the area of the Mekong Basin has to be managed closely. More generally, climate change could or will bring changes to agricultural

patterns which could lead to economic refugees and to tensions as those refugees try to relocate themselves. We can see this coming and we should be able to do something about it.

- Increasing extremism which is primarily an internal problem, but which could spill-over (and occasionally has) to affect interstate relations.
- Rising economic inequality. Again primarily an internal problem but one that could spill over.

All of these are potential problems and need to be watched.

Drivers away from conflict

But there are many factors that point, if not away from, then certainly to a lowering of the risk of conflict.

- We know the region is not spending disproportionate amounts on defence, mostly between 1% and 2.5% of GDP across the region, and the amount being spent has remained quite constant or lowered as a percentage of GDP for at least the last 10 years. That is true in Southeast Asia, it's true in North Asia except for Russia which has had quite significant increases in percentage terms in the last five years, and it's true for extra-regional countries with a regional interest except for the US which spends about 3.5%. North Korea's defence spending remains an enigma.
- Changing international norms. I would argue that using armed force to resolve political differences has been almost completely illegitimate since 1990-91 when Kuwait was invaded by Iraq and the world said enough. Of course, this is a norm not a fixed and unbreakable standard, but the norm is getting stronger I think. This is an area where those who dislike or disagree with the concept of international rules and norms can have a field day in the discussion and point to several recent examples of the use of force by states; not so much in this region though. My argument is that it tends to be the last resort today and a lot of effort goes into concealing it (as Russia is trying to do) or to legitimise it.
- Regional preferences: As a region, there is no desire for conflict. The regional security structures – the architecture, with ASEAN and the ARF at the centre – and regional norms as exemplified by the Treaty of Amity and Cooperation, Declaration on Conduct in the South China Sea, Preventive Diplomacy processes, attempts to develop protocols for different problematic situations such as encounters by warships at sea, however halting they all are, point to this.
- Domestic preferences, especially those of the two major regional actors. I see no state that wants conflict. This is different from the period leading up to both WWI and WWII (the first of which is often compared to the current world situation).
- Interdependence of value chains. As the ECSC was specifically developed to ensure that neither France nor Germany had the ability to control the sinews of war production, so too have production and distribution value chains developed in ways that make it extremely difficult for any state to disengage from the international system in ways that would threaten that system. North Korea is a case in point here. It has disengaged and is therefore in no real condition to have more than a single shot at bringing the region to conflict. That would, of course, be devastating but it

wouldn't be sustained. The conclusion has to be that current forms of economic management work against sustained independent military action.

- Learning behaviour. Some international relations theorists argue that state behaviour is driven by factors beyond the control of the state and its policy makers. More recently, the thought is that states can choose not to act provocatively or dangerously if they want and senior policymakers in a number of countries (including both the US and China) have indicated that they now understand the issues around a rising power challenging for supremacy and are determined not to allow that to become a cause of conflict.

That last point leads directly to the elephant in the room: China, its role in the region and how the region can and should respond. Many consider China's actions as a rising power to be the most likely cause of regional conflict.

Let's look at China and its actions in three areas:

1. It's rise and the relationship it has with the US.

Transition theory would have it that the rising power will always challenge the currently dominant power and that challenge will lead to conflict. This assertion can be refuted by example and in logic. By example, in that there are cases of power transition that have not attracted conflict. In logic in that the theory is absolute and takes no account of other factors such as the extreme interdependence of the US and Chinese economies, for example, which might lead to alternative approaches to managing the issues other than through recourse to conflict.

An alternative to straight transition theory emphasises how China's rise is 'threatening US pre-eminence' and thus must be stopped. Sometimes the threat to pre-eminence is a cause for action in itself and sometimes it is linked to the fear that 'benign' US power will be replaced by 'malign' Chinese power. Many are concerned that China will, for example, 'set the regional rules' in ways that hurt us (whoever we are) and benefit itself and its friends.

In my view there is no evidence that Chinese eminence (I hesitate to say pre-eminence yet) will lead to significant changes in the way the region does business. Certainly, in the area in which we have some evidence, that of the world trade system, China follows WTO rules quite closely. More closely, some would argue, than does the US.

China is talking up what they call a new form or pattern of security relations between the great powers, with emphasis on common, comprehensive and cooperative security where each country works with the other to common ends. This is all looked upon with great suspicion by some commentators. My own view is that these words were all the rage in the 1990s and are being recycled by the Chinese now because in part they do want to cooperate rather than confront and in part because emphasising these approaches de-emphasises US leadership.

2. the South China Sea and China's role there.

The South China Sea is the area of most immediate concern. Chinese claims are expansive and conflict with the claims of most of the neighbouring states. China is also building on and expanding quasi-islands in ways that many argue are illegal. But we should note that China is acting in ways that other claimants are also, even if somewhat

more energetically. I would argue that there is egregious behaviour by many if not all of the claimants, and even that China is not the most egregious in terms of its territory expanding activities.

There seem to be three fears:

- That China will gain economically if minerals are found in its claimed area and therefore other claimants will lose; a zero-sum game in other words;
- that freedom of navigation in the South China Sea will be constrained as China expands its territory;
- and that the Sea Lines of Communication will be controlled by China to the detriment of the rest of us.

The second and third points, in my non-military view, are weak. China needs the seas to be open just as much as does any other state in the region.

In terms of undersea wealth there have to be ways to resolve the issues, perhaps through some kind of joint exploitation and profit sharing arrangements, although a number of the claimant states have rejected that kind of solution.

What is worrying is the militarisation of the dispute by the US, Japan, India and others talking about naval patrols to directly challenge China's actions in the South China Sea. This is at the level of rhetoric at the moment, but would risk turning the situation from a state of tension to one of crisis. Some of the rhetoric and some of the activities about the 'Asia pivot', might also come into this category although I'm confident that is not the intent.

So what's to be done? There seem to be perhaps five approaches

- a. Let China do what it will
- b. Try to use diplomacy to reach some form of agreed solution
- c. Use international law unilaterally, as the Philippines has done
- d. Push back against China and hope China will back off – but to what degree, how and with what?
- e. Prepare to fight China if that's what it takes?

There are problems with each of these solutions, but a solution that doesn't involve conflict has to be found.

3. Unilateral declaration of an ADIZ in the East Sea and the assumption by many that the same will occur in the South China Sea. This is as much about style as substance. In late 2013 China unilaterally defined an ADIZ over the East China Sea. The zone overlaps with the zones of both Korea (although Korea expanded its ADIZ after China declared its own zone) and Japan and covers territory claimed by both those countries. We need to note that at least 20 countries have ADIZs and that there is nothing in international law to prohibit them. This issue is an issue because of the way it was declared and because it covers disputed territory, but it is as much about the *amour propre* of the neighbouring countries as it is about any threat by China to territory.

Enough of all this detail. On the major issue of China and its role in the region I think I would argue that the jury has to be still out. There is no evidence that China has malign intent, and much that it wants to work with its neighbours.

What does this say to the publicity for this evening that the region is more peaceful today than ever. That's a bold assertion, especially after this discussion of the way the South China Sea dispute is being militarised, and one that deserves a little bit of examination. Let's do it by comparison.

Think of the region in decade-long blocks:

1955 Korea (just ended), Malayan Emergency, Vietnam war (NvS), Lao (civil) war (1953-75) with external intervention

1965 N Korea, Vietnam, *konfrontasi* with Indonesia in Borneo (1962), Thai Communist insurgency with cross-border events

1975 N Korea, Vietnam, Khmer Rouge, Cambodia - Vietnam war, East Timor (1976), Spratley and Paracel conflict (1979) Sino-Vietnam, Vietnam - Thailand,

1985 N Korea, Cambodia - Thai, Cambodia - Vietnam

1995 N Korea, Taiwan Straits incident, Timor (1999)

2005 N Korea, OEF Philippines, Cambodia - Thai (2008-2012)

2015 N Korea, South China Sea,

North Korea is a common element in each decade, but overall there is a clear diminution of international war in the region, and also of internal war with international involvement.

What I take from all this is that in the last sixty years in the international arena we've gone from regular active armed conflict to a state of political conflict only. I'm not asserting that this position will hold, but the trend is undeniable. Until we see sufficient events for us to be able to decide that the trend line has changed, I believe we have to accept the proposition that the region is peaceful when compared with the past. This says nothing necessary about the future.

Given all this, what should NZ do?

- Use the armed forces for defence diplomacy in the international arena rather than confrontation
- Avoid militarisation of issues
- Keep searching for and emphasising common interests and concepts of common, cooperative and comprehensive security
- Continue to prevent regional transparency and confidence building measures
- Keep promoting preventive diplomacy on both bilateral and multilateral tracks, both *ad hoc* and through the formal regional architecture
- Use regional shaming, even if that is denounced as 'intervention', but make sure the target is correct and the issue are framed objectively
- Be inclusive in regional security activities.

Let me end with a quote from Churchill: 'Jaw, jaw is better than war, war', or for the purist, 'meeting jaw to jaw is better than war'.