

Regionalism and New Zealand choices



Author: Terence O'Brien, Senior Fellow, CSS:NZ

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A perennial reality in international relations is that major powers are often prone to interpret, or misinterpret, one another in ways that fuel antagonism. Smaller countries are, as a consequence, often expected to 'take sides' at times of great power rivalry when their interests would actually be better served by meticulous even handedness. New Zealand could potentially find itself on the horns of just such a dilemma in Asia Pacific, depending upon just how China-United States relations play out.

Maritime Environment

The United States is in the process of rebalancing its foreign policy with a 'pivot' towards Asia Pacific that expands and intensifies its already significant role and presence. This reflects the growing economic importance of Asia Pacific, including China, to the American economic future, which is clouded by immense insolvency and flawed regulation of the financial sector. The pivot comprises a distinctive military dimension with emphasis upon extended flexible force deployments, including to Australia, and strengthened relationships with allies and friends plus extended power projection. The Pentagon will clearly influence the substance of the 'pivot'.

The United States' rebalancing coincides with increasing military modernisation by China. Chinese interests lie for the foreseeable future with sustaining strategic space in order to focus on economic growth and development. Peace and stability along China's periphery; expansion of diplomatic influence regionally and globally to facilitate access to markets, capital and resources; and the avoidance of direct confrontation with others, particularly the United States, are essential. Increased defence spending that remains at some 2% of GDP (half that of the United States) represents a function of growth in China's economy, rather than an expanding military share of national income. Beijing has no plausible intention nor ability to match absolute United States military power or expenditure (which is six or seven times that of China); it exhibits no desire to assume or share the heavy costs of global leadership that the United States chooses as the price of supremacy; it has no ambition to change the world in its own image. At the regional level nonetheless China seeks primacy, influence and international respect. It does seek to amplify military capacity for dissuasion of the United States' claim to complete freedom of naval deployment in China's maritime approaches.

China depends vitally upon open sea lines of communication to sustain economic progress upon which much of the world now depends. China's actual geographical configuration with its maritime approaches through the South China Sea and East China Sea render the country relatively vulnerable to sea blockade. The United States Navy has long established operational, monitoring and intelligence gathering deployments in the Chinese coastal approaches which it resolutely intends to sustain. Ever sensitive to fears of containment, Beijing considers this provocative. China claims that the United Nations Convention on the Law of the Sea (UNCLOS) excludes all such military operations inside its Exclusive Economic Zone. The United States asserts such operations are permitted under UNCLOS. (The United States has itself not signed or ratified UNCLOS; China has.) The weight of opinion under international law is that the United States is correct.

Some other Asian governments (e.g. Indonesia) are nonetheless sensitive too about outside naval penetration of their coastal approaches. It is not clear just what extra advantage retaining the American Cold War practice of unfettered naval deployments in China's coastal approaches actually bestows (given the full range of United States surveillance capabilities), or how indispensable it is for regional stability. Inside the United States there are respected security specialists who believe the practice could be safely discontinued.

China's military modernisation remains nonetheless an understandable preoccupation for its immediate neighbours. Some have expediently grasped the United States' offer of refurbished military relationships as reassurance, but given the sheer extent of their successful economic integration with China, it would be wrong to interpret this as a commitment to a strategy of containment of China. That same proviso applies equally to New Zealand itself. The need for Beijing continuously to reassure neighbours of its peaceable intentions is nonetheless crucial to ongoing regional stability, especially in the case of those South East Asian governments with sovereignty claims to islands in the South China Sea which are claimed as well by Beijing. The disputes are of long standing. Discovery in the 1990s of oil/gas deposits alongside access to fisheries, served to sharpen disagreements. Forcible expressions of China's claims in 2010 raised levels of regional disquiet threatening to unravel a decade or more of skilful Chinese diplomacy in deepening

relations with the members of the Association of Southeast Asian Nations (ASEAN).

It is obvious New Zealand must be most careful to avoid taking sides over the various South China Sea sovereignty claims that involve a cluster of important East Asian governments upon whose friendship and goodwill New Zealand increasingly depends. The United States for its part has adopted an official stance that it too does not intend to take a position on the competing claims in the South China Sea. But it is easy for Beijing to think that in welcoming the opportunities to develop a closer defence relationship with the Philippines and Vietnam and in challenging China on the ambiguity of its own claims on historical grounds, the Obama Administration is implicitly taking sides. Any perception of side-taking will potentially lead to two principal and related effects. First it will diminish the prospects that ASEAN will be able itself to negotiate an outcome between its individual members and with China over the South China Sea (in terms of the 2002 ASEAN/People's Republic of China Declaration on the Conduct of Parties in the South China Sea). Second, it conflates the immensely complex South China Sea sovereignty disputes with that of broader United States -China maritime rivalry over the United States' claim to unfettered freedom of navigation for its navy in China's maritime approaches - even though the two issues are quite distinct.

New Zealand values the improvements to its own security relationship with the United States flowing from the 2010 Wellington Declaration. Opportunities for greater operational activity with the United States, like the 2012 RIMPAC naval exercises, need always to be carefully weighed against the ongoing requirement for even-handedness in relations with China as well as with the United States. The same caveat applies to exercising with Australia, which to an even greater extent than New Zealand has also a fine line to walk between protection and promotion of its security interests and its prosperity interests in Asia Pacific. Greater attention is required by New Zealand to developing opportunities for defence cooperation with China and indeed other Asian governments, that extend beyond courtesy ship visits and mere defence diplomacy.

Regionalism

The United States 'pivot' to Asia Pacific envisages United States' leadership in shaping regionalism and its future. In East Asia, regional governments themselves have for some 30 years been cultivating the habits, and the architecture, of regional political and economic cooperation. This has been a deliberate, often circumspect, 'work in progress' in which ASEAN has played a central part, and to which China, after initial hesitation, has contributed duly. Critics from both inside and, particularly, outside the region profess the results to be insufficient and not robust enough to tackle issues of hard

security. Be that as it may, this home-grown product has provided essential underpinning for the most remarkable and largely peaceable advance by any region in recent times. Above all it has succeeded in engaging both the United States and China around the same table.

Reaffirmation of deeper regional engagement by the United States is welcome, although engagement is one thing; leadership is something different. Up to this point New Zealand foreign policy has consistently and judiciously endorsed indigenous East Asian-led regional cooperation. We seek constructive involvement with the process, especially since it provides an indispensable foreign policy platform for successful pursuit of New Zealand's objectives in East Asia such as, for example, formal free trade agreements with China, and with ASEAN governments collectively and individually, all of which are serving to transform the balance of New Zealand interests.

The idea for a new Trans Pacific Partnership (TPP), for which New Zealand itself was an instigator, has been embraced by the United States to shift the centre of trade/economic gravity from East Asia to Asia Pacific. This is of course not a new idea, but the version of a 'new generation' agreement now envisaged by Washington includes provisions - including on labour standards, intellectual property safeguards, parallel importing, investment and environment - which will set the bar for membership in ways that wrestle initiative away from China. Negotiations remain complex and protracted. New Zealand itself is not clear whether its own agricultural trade objectives will be secured. But any sense (or intention) that China will be excluded from a new arrangement is not in the New Zealand national interest, nor indeed in the interest of East Asia more generally, and it would reinforce the illogical scheme of China's containment.

China's success and its influence globally and regionally merit a rightful place for Beijing in the management of the international system and of regional institutions. Without this there will be no assurance of a Chinese commitment to the maintenance and improvement of both international and regional order. The two dimensions are directly connected. Disappointment for China will likely cost the region and the world.