

Paremata Probus

Some Ingredients of NEW ZEALAND Foreign Policy

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Foreign policy is about how one country relates to another, and to the outside world generally. It is influenced by a need to protect and promote a country's prosperity and security. It is conditioned by external developments, over which smaller countries have very marginal influence. Such developments readily transform the balance of external interests for any country, large or small, even while as in New Zealand's case, traditional instincts endure to preserve old familiar relationships and alignments. Foreign policy is shaped by what a country is and seeks to become, so international reputation is important. We shall come back to that.

New Zealand's foreign policy is influenced by our situation as a small, remote, modern democracy that lacks critical economic mass but by dint of much ingenuity is a leader in biotechnology and a successful producer and exporter of high quality food and related commodities, in a world where food needs are multiplying prodigiously. Predictable flows of trade, investment and technology are crucial to New Zealand. We do not possess the hard power required to assert New Zealand interests by force of arms. New Zealand's foreign policy is deeply attached therefore to support for a system of rules-based international behaviour as the basis for a predictable and prosperous world. Values as well as interests drive New Zealand's foreign policy.

### **Basic Influence**

New Zealand's colonial inheritance and the international realities of a war-torn 20th century shaped our foreign policy. They nourished a particular New Zealand psychology of dependence on a small number of powerful but distant friends (first, Britain and then the United States.) Those countries provided both military protection and economic opportunity for us. That convenient marriage of New Zealand interests was however subverted by trade distorting agricultural protectionism habitually favoured by those powerful but distant friends. It was overtaken also by the so-called globalisation of the world economy which,

over the last part of the old century, broadened New Zealand's commercial horizons as successful newly emergent economies, especially in East Asia, provided exhilarating new opportunity for trade and investment if New Zealand foreign policy was able to create and sustain the indispensable political platform. We are still in the process of adjusting New Zealand foreign policy to the full implications that flow from the emerging dichotomy in our modern external dependencies. The revolution in communications technology that drove globalisation has served to tame New Zealand's remote geography by collapsing time and distance. Our geography at the same time continues to lend New Zealand valuable protection from various aberrations of globalisation - multinational crime, people smuggling, drugs, terrorism and the like.

Globalisation has stimulated the spread of multiculturalism as people and ideas transcend borders with increasing freedom. The mix of New Zealand's population has been measurably deepened by migrants from Asia, the Pacific and elsewhere. Some 40% of our population will be of non-European extraction in the next 20 years. This prospect sharpens our older challenge of Maori-Pakeha reconciliation as a foundation of New Zealand society. Globalisation compels a greater need now to compose differences that emanate from the Treaty of Waitangi so that New Zealand can successfully absorb and accommodate multiculturalism.

It compels as well deepening authentic New Zealand capacity for independent judgement about how best to position this country in this globalising and interdependent world. Modern interdependence does not just mean how interconnected we have become to other sovereign countries. It includes too, vital relationships between actual key interdependent issues of our time – between energy utilisation and climate change, food security and resource scarcity, nuclear energy and nuclear weapons, great power policies and international terrorism, as well as numerous other connections.

### **Modern Influences**

In the modern interdependent world, it is not necessarily more dangerous to be small. The scourge of international terrorism, for example, is directed rather more at larger powerful countries than small ones. Internal disintegration provoked through insurgency or indeed by simple democratic process (as in the case of the United Kingdom and Scotland) is just as likely to test larger nations as smaller ones. The dangers posed to the cyber security of a

nation and its people, are as critical to large states as to small ones, indeed more so. Smaller countries and their interests do not however normally bulk large when major powers weigh their policy options. Small country foreign policy needs to be ready to form coalitions of interest with similar like-minded governments if collective persuasion is to influence great power decisions. This means New Zealand keeping different company on different issues at different times. Under successive New Zealand governments, over the last years of the old century and the early years of this new one, our experience demonstrates that operating beneath the radar screens of the powerful in international affairs is no disadvantage providing it is backed by resourceful diplomacy and clear independent thinking.

This need to mingle in different company contends with New Zealand's traditional 20<sup>th</sup> century instincts that lie with international allegiance, in particular, to the select but powerful Anglo-sphere group (US, UK, Canada, Australia). Shared values, traditions and other connexions like special intelligence sharing connect this exclusive clan even as the world around is in a state of profound change, where to be modern and successful does not first require that a country be Western or English speaking; and indeed where the international standing of future Western leadership is degraded by excessive debt, mismanaged banks and widening inequality.<sup>1</sup> New Zealand foreign policy has now to recognise the reality that the balance of New Zealand interests has been substantively altered by the emergence of successful East Asia, as well as prospects in Latin America and elsewhere, upon which New Zealand will rely effectually for its well-being.

### **New Zealand-Asia**

For New Zealand to capitalise upon such transformation, the right foreign policy foundations are indispensable. Asian foreign policy objectives must, for example, henceforward be weighed more closely by New Zealand when it fashions its own overall foreign policy making. That process still has some good way to travel. While a more purposeful New Zealand-Asian alignment is perceptible, it does not yet include much by way of New Zealand making common cause on the great issues of our time (political, economic and security) with Asian governments inside established multilateral institutions like the United Nations or World Trade Organisation (WTO); nor, more importantly, is it displayed by way of greater defence cooperation with the Asian region – notably with China. The New Zealand Defence

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<sup>1</sup> Ferguson N. The Great Degeneration: BBC Reith Lectures 2012. Allen Lane. 2012. p36 etc.

Force leadership retains enduring preference for actual operational engagement with Anglo-sphere countries. This has decreed therefore New Zealand involvements with NATO, an Atlantic alliance of which we are not of course a member, and which has no relevance in East Asia; and in places like Afghanistan where New Zealand interests are in fact pretty marginal. Although successive New Zealand administrations profess a “whole of government” approach to building key Asian relationships, this evidently does not yet extend, as it should, to operational defence policy. The great majority of Asian states have for their part, incidentally, avoided combat or other commitments in Afghanistan.

### **New Zealand-US**

The redacting of New Zealand-US relations over the past two or so years is a second most notable ingredient of recent New Zealand foreign policy. The 2010 Wellington Declaration and 2012 Washington Agreement signify enhancement of a relationship which because of New Zealand’s non-nuclear policy, and America’s firm disavowal of that policy, had been diminished for a quarter of a century especially in dealings affecting security and defence. Even while those 25 years were a time of notable accomplishment by New Zealand in a variety of respects, it remains a counsel of wisdom in international relations that small countries should strive always to remain on good terms with the powerful. New Zealand and the US possess moreover a solid measure of shared interests and values as well as a history of joint resistance to unlawful aggression in the world. The betterment of relations therefore is timely. It effectively casts New Zealand now as a military ally of the US, given our joint associations in Afghanistan and New Zealand support more generally for a US post-9/11 international security agenda. American expectations of New Zealand have as a result been heightened; but this paradoxically increases the need for New Zealand to cultivate and retain a judicious independent sense of balance in its foreign policy.

Two examples illustrate this last point. First, given improvement in New Zealand-US relations, a delicate question immediately arises. Does New Zealand now see itself henceforward as a permanent combatant alongside the US fighting a Global War on Terror (GWOT) which Washington assesses to be enduring, open-ended, and world encompassing? If we do, then we owe it to ourselves to be clear sighted and independent in our judgements about international terrorism and its causes. The depiction of radicalised Islam driven by irrational rage and bent upon destruction of the West and all it stands for, which is the explanation proffered by Tony Blair, George W. Bush and many others, ignores entirely the

part that cumulative Western policies in the Arab world and the Middle East dating back for a century and longer, have actually played in stoking turmoil that now incites eruption of internationalised terrorism with its gruesome inhumanity. There is absolutely no justification for the hideous crimes that are the result. But it is dangerous self-deception to deny that a long tradition of Western interference, manipulation, invasion, and extensive foreign military presence has any bearing at all upon what we are witnessing today.

Secondly, given New Zealand's history of past involvements in the Middle East – it is not necessarily surprising that our government anticipates that we will be expected to contribute yet more in the future.<sup>2</sup> Such commitment is portrayed as evidence of the country's good global citizenship, a reaffirmation of what the Ministry of Foreign Affairs and Trade (MFAT) calls the New Zealand 'heritage of integrity'. Yet the very nature of the conflict fomented by the GWOT is sufficient cause to ponder. The dilemma of conflicts that blur essential distinctions between insurgency, armed opportunism, warlordism and genuine terrorist threats globally, that involve pre-emptive and/or clandestine strikes, that include torture, rendition and entail the use of drones and targeted assassinations with or without casualties amongst the innocent – cannot be simply dismissed as inconsequential especially where a state of war between governments does not actually exist. As suggested earlier, reputation in small country foreign policy is important. The prevailing level of insecurity in several parts of our interdependent world points to increasing need for genuine independent New Zealand judgement about the nature of conflict, and when, where and how New Zealand should involve itself in peace support.

### **The Trans-Pacific Partnership**

Closer to home, the shift by the US under President Obama to greater concentration on Asia Pacific (the so-called 'pivot') provides a particular new ingredient for New Zealand foreign policy. The 'pivot' has been welcomed by most regional governments while at the same time it sharpens the need for discerning judgement by New Zealand foreign policy in two particular respects. In both cases the complexities confronting New Zealand foreign policy are extensive.

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<sup>2</sup> New Zealand Government White Paper on Defence 2010 p 31. Para.3.57

First, in the trade/economic domain, ongoing negotiations involving Washington and ten other regional governments (including New Zealand but only four Asian governments) for a Trans-Pacific-Partnership (TPP) involves something more than just a classical free trade arrangement. Led by the US, the negotiations extend to removing policies that are perceived as barriers to free exchange in areas like services, health, safety, role of State Owned Enterprises (SOEs) etc. This effectively breaks into new and uncharted trade agreement ground.<sup>3</sup> Attempts by the US to pursue a similar agenda inside the WTO have foundered, so that the WTO is now becalmed. What is on the TPP table is an economic integration agreement which, if finalised, will be a conspicuous first for New Zealand with any major power. Alongside the *de facto* military alliance with Washington, that combination would entail a significantly expanded allegiance for this country – more than a simple resurrection of past dependency. New Zealand never attained the same dual intimacy with supreme power in the 20<sup>th</sup> century even during the height of hot and cold wars that shaped the old century.

The TPP confronts clear complications. Major Asian economies (China, India, South Korea, and Indonesia) are not yet committed to TPP – although Japan is deciding to join in the negotiation which may in fact prolong and complicate the process. China has been suspicious that the American-led negotiation is directed at Beijing to diminish China's role as the fulcrum of Asian economic success – President Obama has indeed described TPP as a means to pressure China “to meet international standards” of trade and economic behaviour. China's relations with Japan are currently somewhat hostile and Japan's presence at the TPP negotiating table could fuel Beijing's suspicion as to ultimate purpose. As the sole developed economy that enjoys a FTA with China, New Zealand foreign policy cannot simply rationalise away Chinese misgivings. Prime Minister John Key will gain valuable firsthand impressions when he next visits China. America's direction of the TPP process is first and foremost to help restore her economic fortunes through extracting advantageous concessions. US economic leadership credentials are harmed however by the consequences of deep insolvency; and US decision making is conspicuously paralysed by enduring partisan and special interest politics. Those factors point to judicious caution about the wisdom of deeper economic policy integration with America in the circumstances as they exist.

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<sup>3</sup> Barfield C. Not So Fast: Conflicting Deadlines for TPP, and US-EU FTA. *The American*, 8 March 2013: [American.com/archive/2013/march](http://American.com/archive/2013/march)

Up until this point East Asian regional economic institution building has been in the hands of regional governments themselves and New Zealand has fashioned its regional foreign policy accordingly, especially by careful diplomacy in South East Asia (ASEAN). There is now a distinct risk of a split between US-led, and Asian-led regionalism in the greater Pacific Basin. The ASEAN governments are promoting an alternative framework for economic policy integration, which involves China (and New Zealand), but not the US. In all these circumstances and given the fact that even after sixteen rounds of intensive negotiation, New Zealand has no clear idea of the actual benefits it would derive from TPP, nor what it must concede, we are best advised to hasten slowly on TPP, notwithstanding that President Obama has asserted a deadline of the end of 2013.

### **Taking Sides?**

It is a perennial reality in international affairs that small countries invariably confront the awkward choice of taking sides when major powers disagree or misinterpret one and other's intentions. That is a looming potential dilemma for New Zealand foreign policy depending upon just how China-US relations play out over what may indeed be prolonged period. Currently there is headline focus on maritime security with longstanding sovereignty disputes between China and a group of South East Asian nations, and between China and Japan, over ownership of various small mainly uninhabited islands in the seas around China. These have boiled to the surface just as the US 'pivot' begins – which may or may not be a contrived coincidence. It seems inconceivable that China for its part would risk conflict with all its wider ramifications over the particular claims, but the need for peaceful accommodation by Beijing and the others is paramount. China's concerns extend in fact beyond the islands as such, and include deep seated objection to continuing US navy patrols and reconnaissance right up to China's 12 mile coastal limit. This is a legacy of the old Cold War. It is indeed not clear that such continued US practice actually contributes to regional stability.

It is a statement of the obvious that New Zealand foreign policy must absolutely avoid side-taking over the sovereignty disputes. Likewise, New Zealand must be prudent with respect to the navy patrol quarrel. One benefit from improved defence relations with the US is greater opportunity for maritime exercising with the US navy. But involvement with US and/or Australian operations that appear to reinforce America's assertion of an absolute right to patrol where it chooses, or infers side-taking over sovereignty claims, should be very carefully avoided by New Zealand. While recognising that US expectations of New Zealand

will have increased following the restoration of a broader defence relationship, New Zealand defence policy and New Zealand foreign policy must now march in very close step in respect to forging and sustaining relations in Asia.

### **Reputation**

At the outset this contribution suggested that reputation is important in foreign policy. The distinction between what is foreign and what is domestic becomes increasingly blurred. A country cannot pretend to others to be something which it is not in reality. In the 20<sup>th</sup> century, the Soviet Union hypocritically portrayed itself as the friend and supporter of underprivileged nations while at home it imposed an iron fist on its own population. In the end Soviet credibility simply collapsed. Likewise today any country that, for example, claims good environmental credentials at the international level, while it negligently contaminates at home, runs grave risk of being exposed as disreputable. For New Zealand preserving reputation in this connexion, and others, is a vital part of credible foreign policy.

Policy changes introduced for domestic reasons may resonate quite differently abroad. Let us take three quick examples. The recent New Zealand decision not to sign up to the second Kyoto Protocol on climate change severely dismayed our Pacific Islands neighbours as well as others. It probably disqualifies New Zealand from any future meaningful mediator role in those relevant international institutions where over the 20 years since the Rio Environment Summit, New Zealand has cultivated a solid reputation as conciliator. Secondly, the decision to link New Zealand with the Australian scheme for (off shore) processing of boat people refugees was explained in domestic and Australian relations terms. But the Australian scheme has been firmly condemned already by the most competent international body – the United Nations High Commission for Refugees. There must be some repercussion for the New Zealand reputation.

Third, and more generally, the decision to omit mention of non-nuclear policy from New Zealand's current foreign policy narrative is notable. The 2012 Ministry of Foreign Affairs and Trade Annual Report makes no mention of it, nor does their Statement of Intent in its present and earlier versions, as the annual contract between the Ministry and its Minister. Both documents are supposed to record for consumption here and overseas the integrity of New Zealand foreign policy. The narrative does extol New Zealand support for efforts to prevent the spread of nuclear weapons, led by the US. But reference to the equally pressing

need for nuclear disarmament by all present owners, is effectively omitted. New Zealand's non-nuclear policy established a wide reputation in the international community that was instrumental, for example, in winning a seat for this country, in the face of stiff competition, on the 1993-1994 UN Security Council. We now have our hat in the ring again for 2015-2016. Once again the competition will be tough. At the bottom line the campaign for a seat amounts in effect to a global referendum about how reputable others rate this country and its foreign policy. That judgement call will be made over the next 18 months.

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