

New Zealand in the Asia-Pacific region

Asia New Zealand Foundation executive director John McKinnon discusses New Zealand's respective relationships with China and the United States, two strong powers in the Asia-Pacific region.

A fuller version of this article was published in the New Zealand International Review in November 2013, and can be viewed at <http://asianz.org.nz/newsroom/speeches-and-articles>

It has become commonplace to speak of the dominance of the Asia-Pacific region by the established power of the United States and the rising power of China, to the extent that to some analysts this is the only significant reality for the region. Is that so? And if it is, what would that mean for New Zealand's future? Will we be caught up in a titanic power struggle, the likes of which we have not seen since the Cold War, but which - unlike the Cold War - may force us to make uncomfortable choices? Is some other form of hegemony possible? Or, as this article argues, is the competition between China and the US one we have to recognise and understand, but within which there is more scope for other players to shape events than some might suggest?

The present decade may be seen as the time when China's increased ability to shape regional and global affairs began visibly colliding with America's sense of its place in the world. Whether we point to the discussions about climate change at the 2009 Copenhagen Summit, or to the ones about the South China Sea at the ASEAN Regional Forum meeting in Hanoi six months later, a new and strident tone entered into the exchanges between the two countries. In this context, it was not surprising that the subsequent US enunciation of the 'pivot' to Asia was greeted with suspicion in Beijing.

The US had been a naval power in the western Pacific since the mid-19th century. For China, it was difficult to avoid interpreting the renewed assertion of the freedom of commerce and navigation - and the strengthening of relations with its allies and partners in the region (including New Zealand) - as anything other than an endeavour to 'contain' China, despite US protestations to the contrary. Equally, when China vigorously asserted its long-standing sovereignty claims in the East and South China Seas, it was difficult for the US to take at face value China's consistent position that it valued America as a partner in the region, especially when these claims conflicted with those of US allies. The balance between the two seemed to be tilting towards competition and away from cooperation.

But despite serious differences of policy and politics, and despite alarums and excursions along the way, China and the US have managed their relationship successfully over 40 years - if 'success' means the avoidance of conflict or a serious long-term breakdown in the relationship and if it means the skilful and careful management of diverse issues. It would be reasonable to predict that this situation will not change dramatically in the foreseeable future, say the next 40 years. The US is a dynamic and creative society, the third most populous country in the world, attracts talent from all over the globe and has an unrivalled ability to reinvigorate itself. Whatever domestic challenges the US faces, it is impossible to conceive of circumstances in which it would not wish to be present in the Asia-Pacific and would not have the wherewithal to be so. For China, while political change may not be on the agenda, its soft power is increasing. Even more certain is the growth in China's economic and political engagement with the world, including South America, Africa, the Middle East and Central Asia.

If all this is so, then we need to accustom ourselves to living in a world unlike any other we can recall: two strong powers, not aligned, but not hostile; competing but also cooperating; always with an eye to what the other is doing; and likely to make that a factor in their relations with third parties.

Where does New Zealand stand in this matter? New Zealand's relations with China and the US are of very different character but comparably significant. With the US, we have a shared inheritance of language, law and custom, common values and a long history of joint involvement in the international community, whether on the battlefield or at the conference table. The US came to New Zealand's defence in 1942 and its strategic presence in the wider Asia-Pacific region has been welcomed by successive New Zealand governments, even despite the nuclear rupture in formal alliance relations between the two countries in 1985.

With China, our relationship is much more recent and reaches across a large cultural divide. But it has acquired depth and breadth over the last 40 years, to the point that China is now amongst our most important political and economic partners. Increased numbers of Chinese living in New Zealand both give weight to and are a reflection of that relationship. The enduring foundation of our relationship with China has been New Zealand's willing recognition of China's place in the region and the world. This was expressed appositely by the World Trade Organisation's New Zealand Director-General Mike Moore who stated, on signing China's accession to that organisation in 2001, that a WTO without China had become inconceivable.

Perhaps our relations with these two nations are mirror imaged. With the US, our shared heritage is very deep but that has not prevented differences occurring, some profound. With China, the reverse is true. While both sides recognise the political and cultural divergence, we have still been able to build a substantive and comprehensive relationship.

But what happens when the demands of the two partners conflict, or - put less dramatically - when our relationship with one partner might only be managed at the expense of the other? And what about the reverse situation, what might happen if a "G2" emerges - an agreement, however informal, to co-manage the region? New Zealand's involvement in the international community has always been driven by both ideals and interests. If we wish the region to function in accordance with both, we have to be engaged. There are a variety of paths to pursue.

First, we should not be shy of sharing our perspectives with both the principal protagonists. They cannot be expected to know these if we don't. Those perspectives can include our expectations of how they manage their relationship. For example, the weight they place on dialogue, confidence-building and transparency - especially in the area of national security. This is difficult and delicate. Imagine if somebody told New Zealand how it should manage its relations with Australia or Fiji. But nor are such conversations unimaginable, and nor would they always be unwelcome. In fact, such countries are usually acutely aware of the effects their actions have on third parties and willing to hear of these, even if that does not necessarily result in a change of course.

But in doing so we should rule out any thought that New Zealand can or should be an intermediary between China and the US. These two countries do not need third parties as go-betweens, and any circumstances in which either side might suggest that go-betweens are needed would be too fraught with risk to be worth contemplating. That does not rule out our being honest and direct with each country about our relations with the other, as good diplomacy requires.

Second, we can and should look beyond our own respective relationships with China and the US. Japan and the Republic of Korea confront similar but rather more acute dilemmas, as do Australia and the countries of ASEAN and the South Pacific. We don't have to work this out entirely on our own. Indeed, our perspectives are likely to be more useful if informed by those of others.

Third, we need to remind ourselves and our friends that we are parties to and the beneficiaries of a host of international agreements, from the Charter of the United Nations to the Law of the Sea. These instruments and many others have been devised specifically to manage conflicts of interest and power in international relations. It would be ironic indeed if we were to neglect them precisely when we most need them.

Fourth, we have at hand multiple regional organisations and arrangements. These can provide valuable opportunities for dialogue, especially when relations between countries may be strained. The ASEAN Defence Ministers Meeting Plus (ADMM Plus), which is having only its second gathering this year in Brunei, is already proving to be a worthwhile addition to the regional architecture. These organisations can only be as effective as their members collectively permit, so we should not ask too much of them, but nor should we ask too little. They can provide both the powerful and the less powerful with additional layers of risk assurance.

Broadly, and very summarily, New Zealand benefits from the international rule of law, open regionalism, and the ability of all countries to make their way in the world. We favour neither containment nor exclusion. Recognising that structural sources of competition between China and the US cannot be eliminated, and certainly not by third parties, we can nevertheless argue strongly that 'non structural' issues, including military capabilities and territorial disputes, can and should be addressed – at the very least ventilated and maybe defused.

Nearly 20 years ago, New Zealand diplomat Bryce Harland wrote a book entitled *Collision Course*, alerting readers to the prospect that China, Japan and the US were at risk of drifting towards a collision, despite the APEC initiative and many others. It is perhaps some consolation that Harland's prognosis has not been proved right, at least not yet. But we should not be complacent.

It is an underlying premise of this article that the world we live in today bears more resemblance to 19th century diplomacy than to 20th century ideological conflict. In other words, the relationship between the US and China, with all its challenges, does not carry the existential risk to either country that was present in World War II and an element of the Cold War. A hundred years ago, the world enjoyed the last full year of peace before the conflagration of World War I. It is difficult to believe that any of the protagonists of 1914, looking back at the end of the war, could justify to themselves what had happened in the intervening years. Fortunately, the leaderships in both China and the US recognise the heavy responsibility they have, separately and together, for international peace and security. But the views and policies of countries such as New Zealand can help them stay that course.

23 September 2013