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ASEAN'S PERSPECTIVE OF NEW ZEALAND'S PLACE IN ASIA

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*“Building New Zealanders’
knowledge and
understanding of Asia.”*

CONTENTS

- Introduction.....1
- Engagement with Asia pre-dates ASEAN2
- The Push Towards and the Pull of Asia3
- Ethnicity and Asia5
- The Asymmetries – and Advantage New Zealand6
- Partnership with ASEAN and Southeast Asia8
- Standing Together or Apart on Key Issues?10
- Relating to Rising Asian Powers12
- New Zealand in a Changing Asian Security Landscape.....14
- Conclusion17
- Profile.....18
- Appendix.....18
- Asia New Zealand Foundation20

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There is a 'contents' link at the bottom right for easy navigation back to the contents page.
All websites listed in this document are active hyperlinks and will open a page in your browser if you are connected to the internet.*

"The New Zealand government and people need to be alert to the security anxieties and expectations of its friends and allies."

INTRODUCTION

ANY DISCUSSION OF NEW ZEALAND'S PLACE IN ASIA must begin by noting the twin facts of its integration with Australia and its jealously protected separate identity. New Zealand and Australia are connected through their Closer Economic Relations and Closer Defence Relations arrangements. Habits of consultation and coordination on nearly all matters are deeply ingrained.¹ The integration goes well beyond what the Association of Southeast Asian Nations (ASEAN)² has been able to achieve or, many would argue, is likely to achieve in the foreseeable future. So in an important sense there is a New Zealand-Australia condominium in relation to the ASEAN region and Asia. It gives New Zealand greater weight in Asian affairs.

However, New Zealand does not want to be seen as a mere adjunct of Australia or lose its visibility in the shadow of Australia. The strong rivalry on the sports field is just one manifestation of its separate identity. Thus, while the two countries often work in tandem in their dealings with Asia, there are differences in approach that give New Zealand's relations with Southeast Asian countries and the major powers a somewhat different feel.

Changes in the 1970s in New Zealand's traditional economic and security ties with Britain, as well as historic transformations in Asia, prompted New Zealand to open its economy and liberalise its immigration policies in order to reach out to Asia and take advantage of the new economic opportunities being offered. These policy changes have made New Zealand a free-trade country and a multi-ethnic one, with a growing Asian population. New Zealand may not carry significant economic or security weight in Asia, but it is well regarded because of its excellent governance, strong support of global institutions and the international rule of law, and its expertise in niche areas, especially education. It is also viewed as principled and trustworthy. ASEAN and its member countries value New Zealand for its low-key but effective contributions to ASEAN's security and economic agenda in the ASEAN-centred regional architecture and its general non-confrontational approach to sensitive issues.

With its assets of soft power and omni-directional foreign and trade policies, New Zealand has done well to overcome its handicaps of a small population and geographical remoteness from Asia. But the New Zealand government and people need to be alert to the security anxieties and expectations of its friends and allies. Power shifts in the Asia-Pacific, a region vital for New Zealand's economic and security wellbeing, are generating unease and affecting alignments not only among Asian states but also in Australia and the United States (US), on which New Zealand's security ultimately depends.

New Zealand's defence posture may not have sufficiently recognised these powerful currents, in part because distance deprives New Zealanders of any real sense of threat, although recently there have been signs of change in official thinking. Better defence capabilities would also enable New Zealand to be more than a bit player in the Five Power Defence Arrangements (FPDA).

- 1 Prime Minister David Lange, in a speech delivered when opening the Australia-New Zealand Business Council's Joint Conference in Wellington on 3 November 1988, said "... we cannot decouple our external relations and our security interests from those of Australia. To do so would require us to tear apart the fabric of relationship built up over the years that covers everything from politics, law and business to a whole mass of personal and family ties". Cited in *The ANZAC Connection* by Lieutenant General JA Mace, in *Australia and the World: Prologue and Prospects*, edited by Desmond Ball, page 181. Canberra Papers on Strategy and Defence No 69 Australian National University 1990. That was almost a quarter century ago. Integration has deepened since then.
- 2 Throughout this paper the author distinguishes between "ASEAN", which is the association or club of ten Southeast Asian countries, and the geographical "ASEAN region" covered by them. He uses "ASEAN region" and "Southeast Asia" interchangeably, in the process taking some liberties with geography because Timor Leste, clearly part of Southeast Asia, is not a member of ASEAN.

"New Zealand has a long record of involvement in endeavours to maintain peace and security in Asia."

ENGAGEMENT WITH ASIA PRE-DATES ASEAN

NEW ZEALAND HAS BEEN ENGAGED WITH ASIA SINCE WELL BEFORE THE FORMATION OF ASEAN IN 1967. The engagement in defence and security has included participation in the Asia-Pacific theatre of World War Two; in the Korean war under the United Nations Command; in the Malayan Emergency to help defeat the Communist Party of Malaya insurgency; in the defence of Malaysia during Indonesia's Konfrontasi; and in the Vietnam war. New Zealand, together with two Southeast Asian countries, Thailand and the Philippines, was also a member of the Southeast Asia Treaty Organisation headquartered in Bangkok.³ Thus New Zealand has a long record of involvement in endeavours to maintain peace and security in Asia.

The Colombo Plan scholarships programme, which began in the 1950s, is remembered in Southeast Asia and Asia, and many of the recipients of the scholarships studied in New Zealand and Australia. This was the beginning of New Zealand's tradition of technical and educational assistance that continues to this day, with alumni of such programmes occupying influential positions in the countries of Southeast Asia.⁴

Pre-1967 New Zealand was of course still largely cocooned in its European networks, its security and economic wellbeing tied to Britain, its borders mostly closed to Asian immigration and trade. Still, its military involvements in Asia, although small in force numbers compared with those of Britain and America, and its technical assistance, resulted in interactions with officials of a significant number of Asian countries, as well as exposure to the societies and cultures of these countries.

3 This is by no means a comprehensive listing of New Zealand's defence and security engagement in Asia.

4 "Colombo Plan alumni have helped to open doors for New Zealand in their home countries in politics, business and other sectors, and some of their children have chosen New Zealand institutions for their own studies". Source: Our Future with Asia, page 28, Ministry of Foreign Affairs and Trade, New Zealand, 2007. www.mfat.gov.nz/downloads/foreign-relations/asia/asiawhitepaper.pdf <http://www.mfat.gov.nz/downloads/foreign-relations/asia/asiawhitepaper.pdf> Accessed 15 October 2010

“New Zealand and Australia, both orphans of British imperial and settler origins and geographically isolated from the rest of Asia, have been understandably anxious to avoid being excluded from the new Asian and Asia-Pacific clubs.”

THE PUSH TOWARDS AND THE PULL OF ASIA

A SERIES OF SHOCKS OVER THE DECADES LED NEW ZEALAND to pay more attention to Asia, starting with the defeat of British and Dutch forces in Southeast Asia by the Japanese in 1941-1942 and culminating in Britain's decision in the late 1960s to withdraw its military forces from East of Suez and its entry into the European Economic Community in 1973. The last was a particularly painful blow to New Zealand's livelihood, prompting it to look for new markets for its primary produce and re-examine its place in the world.⁵

The British military withdrawal from Southeast Asia was a troubling sign of the changing times for a country long linked to Britain, but the pain was mitigated by the post-World War Two dominance of the Pacific by the US and New Zealand's membership of the tripartite Australia-New Zealand-United States (ANZUS) Treaty. Dependence on America was not always free of controversy, as shown by New Zealand's participation in the Vietnam war because of alliance obligations, and the crisis in bilateral relations resulting from Wellington's anti-nuclear policy implemented by the Labour government of Prime Minister David Lange in 1985. The consequent rupture of the ANZUS alliance and the loss of the American security guarantee may have strengthened the rationale for closer relations with Asia. Still, as long as America remained the dominant naval power in the Pacific, the security of New Zealand and Australia from major power aggression was assured.

Meanwhile epochal change was underway in Asia itself, starting with the powerful ascent of Japan's export-led economy, the four "tiger" economies of South Korea, Taiwan, Hong Kong and Singapore and the ASEAN-4 comprising Malaysia, Thailand, Indonesia and the Philippines. The rise of the Asian behemoths, China and India, was to follow. This vastly altered world accelerated Wellington's momentum for policy change and adjustment to deal with the new opportunities as well as the challenges. The response included the diversification and opening of New Zealand's economy, the adoption of a non-discriminatory immigration policy and deeper engagement with Asia.

The emergence of ASEAN-related regionalism has been another push factor. New Zealand and Australia, both orphans of British imperial and settler origins and geographically isolated from the rest of Asia, have been understandably anxious to avoid being excluded from the new Asian and Asia-Pacific clubs. Exclusion would aggravate their isolation, deprive them of a voice in shaping the future of their vast Asian north, and adversely affect their economic wellbeing. This has accounted for their determination to secure their place in Asia, with strong bipartisan political support at home for enmeshing more closely with the region.⁶

5 In 1969, about 38 percent of New Zealand's exports went to the United Kingdom (UK) and only about 10 percent to Asia, mostly to Japan. Twelve years later, in 1981, only about 13 percent went to the UK and about 30 percent to Asia. Source: Direction of Trade Annual 1966-1970 and Direction of Trade Statistics Yearbook 1981, International Monetary Fund.

6 The strong desire for membership of regional groupings can be gauged from former Australian Prime Minister Paul Keating's comments on Australia's membership of APEC on *Sunday*, Channel 9 Network, Australia, 9 July 1993: "For the first time Australia would have seat at a very big and powerful table. I mean just examine our position at the moment. We are not part of ASEAN, we are not part of the North American trading arrangements. We're not part of the G7. We are not part of the EEC. We're basically on our own. But three quarters of our exports go into the Asia-Pacific area... To be there as a full member - for the first time we would be at a very powerful table". Cited in Graeme Dobell, *Australia Finds Home: the Choices and Chances of an Asia-Pacific Journey*, page 17. If Australia, a much larger country, felt this way about the importance of membership of Asia-Pacific and Asian regional organisations, New Zealand would have felt it even more acutely.

"The ASEAN region as a whole is New Zealand's third-largest trading partner."

ASEAN and most of the countries of Southeast Asia and East Asia have, on their part, seen it to be in their interests to have New Zealand, with Australia, in regional processes and to forge closer ties with them. This can be attributed to ASEAN's openness to engagement with the outside world, with criteria for membership to its clubs not based on ethnicity; its recognition of the reality of the multi-layered links with the two South Pacific countries; and broader geo-political considerations. Indeed, from the ASEAN perspective, New Zealand's and Australia's "white" Caucasian character adds value to the regional architecture in demonstrating that East Asian regionalism is not based on ethnicity and colour of the skin. But clearly, beyond these, as will be shown below, New Zealand has made itself useful and relevant to Southeast Asia and Asia in its own right.⁷

The numerous Track One and Track Two ASEAN and Asia Pacific Economic Co-operation (APEC) related meetings have exposed a whole generation of New Zealand's foreign affairs, trade and other officials, as well as scholars and businessmen, to Asian political cultures and societies, and forged invaluable networks and channels for easy communication.

Today seven of New Zealand's top ten trading partners are Asian, with China, Japan, Singapore, South Korea, Malaysia, Thailand and Indonesia occupying second, fourth, fifth, seventh, eighth and tenth places respectively. Trade with Asia is growing much more quickly than trade with Europe and North America (trade with India is still relatively small, but of growing importance). The ASEAN region as a whole is New Zealand's third-largest trading partner, with New Zealand's merchandise trade with Southeast Asia having doubled in the past five years and the region accounting for 11 percent of New Zealand's merchandise exports and 16 percent of its imports.⁸ In terms of absolute value of exports, New Zealand is more important to the ASEAN region than vice versa. In 2009 ASEAN countries' exports to New Zealand amounted to US\$3.13 billion compared with imports from New Zealand of US\$2.2 billion.⁹

7 "It is not enough that we value highly our connections with Asia; it is important that the countries of Asia value New Zealand participation in the regional dialogues and in efforts to build the ASEAN and East Asian community", *Our Future with Asia*, New Zealand Ministry of Foreign Affairs and Trade, 2007, page 21.

8 New Zealand Ministry of Foreign Affairs and Trade website, accessed 14 September 2010.

9 ASEAN Statistics, ASEAN website, accessed 10 September 2010.

"Incidents and tensions arising from differences in race or religion are not unique to predominantly Caucasian societies like New Zealand. Nevertheless, it is a fault line that New Zealand needs to keep in mind."

ETHNICITY AND ASIA

IN TANDEM WITH ITS ENGAGEMENT WITH ASIA, New Zealand has been opening itself to the flow of migrants and students from Asia, in the process making New Zealand society more multi-ethnic and multi-cultural. In 1970 the Asian community in New Zealand numbered fewer than 20,000. In 2001 it had reached 238,000, with one in 15 New Zealanders of Asian origin. As Neil Walter, Secretary of Foreign Affairs and Trade said in a speech on 25 January 2002, "You can perhaps say Asia is among us as well as north of us". The number of those who identify themselves as Asians has been increasing much faster than the number of those who are "European or Other", much faster even than those of Maori or Polynesian stock. By 2006 the population of Asian ethnicity had increased to 355,000 or over 9 percent of the country's population.¹⁰ According to current projections, it will constitute 13 percent of the population in 2016.¹¹

In Auckland, New Zealand's largest city, about 18 percent of the population was of Asian ethnicity in 2006.¹² The former Governor-General of New Zealand, the Right Honourable Sir Anand Satyanand, who is the British Queen's representative and head of state, is an ethnic Indian.

The growing Asian population has implications for identity, culture, politics and foreign policy, more so than in Australia, where the Asian population presently is only about 5 percent of the total population.

Contact between ethnic Asians and non-Asian New Zealanders has largely been positive, although not without some instances of racism, especially against new immigrants and those who have not gone through the New Zealand school system. There have been a few high-profile cases, because of the media attention they received, of racial slur. For instance, Television New Zealand breakfast show presenter Paul Henry had to resign in 2010 after making remarks about an Indian Commonwealth Games official and questioning whether New Zealand-born Governor-General Satyanand was really a New Zealander. The remarks caused a furore in New Zealand and a diplomatic protest from India.

Regrettable though such incidents are, they have to be seen in the broad perspective of the strong official stance against discrimination. It may be worth noting in this context that, in an extraordinary public gesture in 2002, then Prime Minister Helen Clark apologised to the Chinese community in New Zealand for the pain inflicted in times past on the Chinese by a poll-tax and other racially discriminatory restrictions.¹³

Incidents and tensions arising from differences in race or religion are not unique to predominantly Caucasian societies like New Zealand. They occur among Asians inhabiting Asia itself and they can occur among Asians in New Zealand. Nevertheless, it is a fault line that New Zealand needs to keep in mind as many more Asian students, professionals and visitors make their way to New Zealand in the future. Some will flaunt their wealth and materialism and locals may feel the heat of competition for jobs and businesses. The rapid increase in students from India who come not just to study but to acquire permanent residence in New Zealand has drawn attention to the need to ensure that the unfortunate incidents involving Indian students that occurred in Australia recently do not occur in New Zealand and set back the rapidly growing New Zealand-India relations.¹⁴

10 See 2009 Social Report, Ministry of Social Development, Wellington, New Zealand, accessed 11 October 2010.

11 2010 Social Report, Ministry of Social Development, Wellington, New Zealand, accessed 26 December 2010.

12 See Wardlow Friesen, *Diverse Auckland: The Face of the 21st Century*, in *Outlook 6*, Table 2, page 11, published by the Asia New Zealand Foundation.

13 The apology was made in a speech during a party Helen Clark held for New Zealand's Chinese community at Parliament House in Wellington to celebrate Chinese New Year on 12 February 2002.

14 See Andrew Butcher, "Indian students in NZ; Australia as cautionary tale", *The Interpreter*, 16 December 2010. Butcher suggests that New Zealand should ensure that its education providers have enough resources and weed out fly-by-night providers out to make quick money.

"Yet any focus on economic and military weight alone would underestimate the value of New Zealand to Asia, and in particular to ASEAN."

THE ASYMMETRIES – AND ADVANTAGE NEW ZEALAND

THE ASYMMETRIES IN SIZE AND MATERIAL WEIGHT BETWEEN NEW ZEALAND and the ASEAN region are glaring. New Zealand has about 4.5 million people, Southeast Asia almost 600 million. New Zealand has a GDP (gross domestic product) of about US\$138 billion (estimate for 2010), Southeast Asia about US\$1.5 trillion. New Zealand's trade with ASEAN was only 0.3 percent of total ASEAN trade (even Australia's was only 2.9 percent),¹⁵ while New Zealand's share of the inflow of foreign direct investment to the ASEAN region amounted to only 0.1 percent. Needless to say, these asymmetries multiply manifold when New Zealand is viewed in relation to the continent of Asia.

Comparing one country with a region comprising ten countries may be inappropriate. When New Zealand is compared with the individual countries of ASEAN, its GDP size (nominal, measured in US dollars) is still not impressive, exceeding only that of the poorer ASEAN members (Cambodia, Laos, Myanmar and Vietnam) and Brunei, although its per-capita GDP is higher than that of all ASEAN countries except Singapore.¹⁶ New Zealand's armed forces in 2009 were smaller than those of all Southeast Asian countries except Brunei.¹⁷ One would obtain a different perspective if one compared the New Zealand-Australia combination with the ASEAN region, an exercise not without merit in view of the level of policy coordination that New Zealand and Australia have attained. From such a perspective, the combined Australia-New Zealand GDP would be almost three-quarters that of the entire ASEAN region.

Yet any focus on economic and military weight alone would underestimate the value of New Zealand to Asia, and in particular to ASEAN and Southeast Asia. Most Southeast and East Asian elites¹⁸ would readily acknowledge that New Zealand possesses, by itself, strengths, especially of soft power, that belie its small size.¹⁹

New Zealand is seen as a stable and mature democracy, with a well established rule of law and accountability, attributes still lacking in many Asian countries.²⁰ In Transparency International's 2010 World Corruption Index, it shared the first place with Denmark and Singapore as the world's least corrupt country. In the 2010 United Nations (UN) Human Development Index (HDI) it ranked number three in the world, while Singapore, the highest ranked in the ASEAN region, stood at number 27.²¹ It is regarded as one of the most investor-friendly countries in the Asia-Pacific.²²

15 China was 11.6 percent, the EU-29 11.2 percent, Japan 10.5 percent and the US 9.7 percent. ASEAN Statistics, ASEAN website, accessed 10 September 2010.

16 See *World Economic Outlook Database*, October 2010, International Monetary Fund, Washington DC.

17 *The Military Balance 2010*, International Institute for Strategic Studies, Routledge, London, 2010, pages 394-434.

18 The term "elite" used here and elsewhere in this paper refers to government officials, media and other non-governmental individuals and groups concerned with issues like foreign affairs, trade, education, tourism and the environment.

19 Despite its close integration with Australia, some of its attributes also show its distinct identity and international personality, for instance its streak of idealism, possibly arising from its remoteness from Asian geo-politics, in contrast to the greater realism of Australia, which is directly exposed to it. An example is its anti-nuclear stance.

20 Based on the author's conversations with scholars and officials of ASEAN countries, ex-officials of ASEAN, and his own judgements.

21 The 2010 Index incorporated three new features: adjustments for inequalities, gender inequality and a more sophisticated, multi-dimensional poverty index. The indices for ASEAN countries show vast disparities in human development, ranging from highs of 27 and 37 for Singapore and Brunei respectively to lows of 122, 124 and 132 for Laos, Cambodia and Myanmar respectively.

22 The inaugural study "Good Governance for International Business Asia-Pacific 2010" conducted by Singapore-based Vriens & Partners ranked New Zealand third, close behind Hong Kong and Singapore. The rankings were based on six criteria: rule of law; openness to international trade and business; taxation; corruption; public sector quality and effectiveness; and fiscal and monetary administration. *The Business Times*, Singapore, 7 January 2011.

"New Zealand's dairy products constitute a resource perhaps no less vital than Australia's minerals."

New Zealand is known for its creativity and innovation, producing internationally reputed artists like soprano Dame Kiri Te Kanawa and film director Sir Peter Jackson of *The Lord of the Rings* trilogy fame. It can boast of having had a number of Nobel laureates, although when honoured they were residing and working abroad, as many talented New Zealanders continue to do.

It has a high reputation for its expertise in and the quality of its dairy and agricultural produce, as well as research and innovation related to its primary produce. It is also known for its proficiency in disaster management, forestry, food safety and quality processing, and education.²³

New Zealand stands out as a free-trading nation. According to 2010 Organisation for Economic Co-operation and Development (OECD) figures, only 1 percent of its farmers' incomes comes from subsidies, compared with 23 percent in the European Union and 9 percent in the US.²⁴ It possesses valuable expertise in negotiating and implementing free trade agreements, having been a path-setter in negotiating the Trans-Pacific Partnership (TPP)²⁵ as well as many bilateral and regional free trade agreements, including the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).

It has acquired a reputation as a strong advocate of the international rule of law and a good international citizen through its robust support for global institutions and a rules-based global order, and through its participation in UN peacekeeping and peace-support operations.²⁶ As former Prime Minister Helen Clark said in 2007, "When might is right, small countries miss out".²⁷

Finally, even in terms of "hard" weight, New Zealand should not be dismissed out of hand. In the context of Asia's vast population, rapidly growing middle classes and anticipated pressures on food resources, New Zealand's dairy products constitute a resource perhaps no less vital than Australia's minerals. New Zealand has been described as the Saudi Arabia of milk, producing as much of the commodity as Australia and Canada combined²⁸ and accounting for a third of the world's exports of dairy products, which is twice Saudi Arabia's share of the world oil exports.²⁹

23 For example, New Zealand has been helping China to improve its food safety procedures and raise the quality of milk from China's dairy companies to New Zealand's import quality; and it has educated and trained thousands of Asians in its educational and training establishments.

24 Cited in *The Edge*, Singapore, 6 September 2010, page MW6.

25 The TPP involved free trade among four small countries: Brunei, Chile, New Zealand and Singapore.

26 As of October 2010 New Zealand had nearly 400 New Zealand Defence Force (NZDF) personnel and 75 New Zealand Police officers deployed in peace-support operations in 13 countries. Source: New Zealand Ministry of Foreign Affairs and Trade, accessed website on 6 December 2010.

27 Prime Minister Helen Clark's speech to Oxford Union, UK, 1 October 2007.

28 2011 estimate, US Department of Agriculture. See Index Mundi at www.indexmundi.com/agriculture/?commodity=milk&graph=production Accessed on 16 August 2011.

29 *New Zealand's economy: Creaming along*, *The Economist*, 18 June 2011, page 36.

"The general impression within ASEAN of New Zealand is of a principled country that is reliable and trustworthy and that is able to deal with thorny issues in a non-confrontational way."

PARTNERSHIP WITH ASEAN AND SOUTHEAST ASIA

NEW ZEALAND WAS AMONG THE EARLIEST DIALOGUE PARTNERS OF ASEAN (since 1975), is a founding member of the ASEAN Regional Forum (ARF) in 1994 and a member of the East Asia Summit (EAS) since its beginning in 2005, and participated in the inaugural ASEAN Defence Ministers' Meeting (ADMM) +8³⁰ in 2010. Both New Zealand and Australia felt aggrieved when they were excluded from the Asia-Europe Meeting (ASEM) process in 1996 because of opposition from the leader of one ASEAN country, and again when they were excluded from the club of ASEAN +3 (that is, ASEAN plus China, Japan and South Korea), also because of opposition from one or two countries. However, now New Zealand and Australia are members of ASEM and their membership of EAS ensures them an important voice and role in East Asia.

The high-quality AANZFTA, implemented from January 2010, binds New Zealand further to Southeast Asia.³¹ In the past, New Zealand has signed bilateral free trade agreements with Singapore (2001), Thailand (2004) and Malaysia (2009).

New Zealand has been a consistent supporter of ASEAN's broad diplomatic and economic goals. In various international organisations like the UN, World Trade Organization (WTO) and International Labour Organization, New Zealand has often supported the ASEAN position, if there is one. In ASEAN-centred forums New Zealand frequently follows the ASEAN lead, keeping differences, where they do occur, low key so that they do not sour the overall relationship. Perhaps limitations of size and deference to Australia discourage New Zealand from taking the lead in ASEAN-related forums.

However, it has quietly been able to play a constructive role, for example in the run-up to the establishment of the ARF and its subsequent evolution, and on EAS issues. It is seen as being on the ball, efficient, providing steady and patient support and working well with ASEAN partners.³²

The general impression within ASEAN of New Zealand is of a principled country that is reliable and trustworthy and that is able to deal with thorny issues in a non-confrontational way. As Ong Keng Yong, former Secretary-General of ASEAN, put it, "It gives us good feelings". If New Zealand were missing from the Australia-New Zealand condominium, a dimension would be missing, of sensitivity, independence and "of conscience and principle".³³ It is seen as being sensitive to ASEAN and Asian concerns. Some see it as less likely to cause ripples compared with some other, larger countries.³⁴ Because it is comfortable working with New Zealand, the Singapore government, for instance, preferred to group its contribution to the East Timor peacekeeping with the New Zealand force and has also embedded its deployment to Afghanistan with the New Zealand Army Provincial Reconstruction Team deployed in Bamiyan province.

New Zealand has been providing financial support for technical and capacity building, and student and training attachments for many years. New Zealand's official development assistance in Asia focuses on poverty in the region, giving highest priority to Cambodia, Laos, Vietnam, Indonesia, the Philippines and Timor Leste, with an emphasis on sustainable rural livelihoods, skills needed to implement development programmes and education.³⁵

30 The eight were the Defence Ministers of Australia, China, India, Japan, New Zealand, Russia, South Korea and the US.

31 New Zealand, together with Australia, has been making available its expertise to help ASEAN to implement AANZFTA.

32 Author's interview with Ong Keng Yong, former Secretary-General of ASEAN.

33 Ibid

34 Based on the author's conversations with former ASEAN Secretary-General Rodolfo C Severino, and Kesanee Palanuwigse, Director of South Pacific Division, American and South Pacific Affairs Department, Ministry of Foreign Affairs, Thailand. As Rodolfo Severino put it to this author, "New Zealand is very nice, non-controversial... they do not try to act like a regional superpower... they know their place", a remark possibly prompted by the more blunt and occasionally imprudent Australian style and rhetoric, like former Prime Minister Howard's talk of Australia being "deputy sheriff" or making "pre-emptive strikes" that riled some Southeast Asian sensitivities.

35 *Our Future with Asia*, page 27.

“Education, especially instruction in the English language, features prominently in New Zealand’s relations with not just Thailand but also Vietnam.”

Although New Zealand is a relatively small donor, it has a good standing because its aid projects are viewed as focused and well thought out. It has a reputation for being able to deliver what it promises.³⁶

In July 2010 the ASEAN-New Zealand Joint Declaration on Partnership for 2010-2015 and the Plan of Action to implement it were announced. They seek to broaden the ASEAN-New Zealand partnership to help achieve the ASEAN Community and will include assistance for the ASEAN Integration Initiative to narrow the development gap among member countries. One of the four major initiatives in the Partnership is a Scholarship Programme, under which New Zealand will provide 170 scholarships per year (that is 850 scholarships over the five-year period 2010-2015).³⁷ It has been described as New Zealand’s largest scholarship programme since the Colombo Plan.

Relations with ASEAN are complemented by bilateral relations with Southeast Asian countries. Their quality helps to determine the quality of New Zealand’s relations with ASEAN. They are also important in their own right and serve as a hedge against a possibly weaker ASEAN if it cannot achieve its integration goals and manage internal strains and intensified rivalry between the major powers in Southeast Asia.³⁸

The bilateral relations have extended beyond traditional friends Malaysia and Singapore, with which New Zealand has longstanding and extensive economic, security, scientific and technical, and people-to-people engagements. An early New Zealand effort to assist in the development of the Indo-China countries was reflected in the establishment of the Mekong Institute in Kon Kaen, Thailand, although by now New Zealand aid to the Institute has been much reduced and it has become an international institution with support also coming from other countries. Education, especially instruction in the English language, features prominently in New Zealand’s relations with not just Thailand³⁹ but also Vietnam. Presently there are about 1500 Vietnamese students in New Zealand, many of them learning English.⁴⁰ Prime Minister Helen Clark noted in 2005 that a programme greatly appreciated by Vietnam was the English language training for officials under which, from 1990 to 2004, about 250 Vietnamese had studied in New Zealand.

36 Author’s conversation with Ong Keng Yong.

37 The other three initiatives are the Young Business Leaders Exchange Programme, Disaster Risk Management, and Agricultural Diplomacy. See Chairman’s Statement of the East Asia Summit in Hanoi, 30 October 2010. ASEAN web, accessed 14 December 2010.

38 ASEAN still has a long way to go to achieve integration in areas like services, investment policies, intellectual property protection and movement of labour. There is also a significant economic divide between the more prosperous ASEAN-6 and the poorer members of mainland Southeast Asia, namely Cambodia, Myanmar, Vietnam and Laos, which joined ASEAN in the 1990s. Further, the mainland ASEAN countries are becoming increasingly dependent economically on China. See, for instance, Geoff Wade, December 2010, in New Mandala, <http://asiapacific.anu.edu.au/newmandala/> <http://asiapacific.anu.edu.au/newmandala/> Accessed 5 January 2011.

39 There are about 3000 Thai students in New Zealand, many learning English. The two countries have a Memorandum of Understanding (MOU), signed on 1 June 2007, on cooperation in education under which Thailand hires New Zealand consultants and teacher-trainers and builds links with New Zealand’s research institutes in areas like environmental science, innovation and forensic aspects of criminology. The MOU provides for the forging of institutional linkages between schools and universities of the two countries. Agreements have already been signed for the pairing of 18 universities, for example Massey with Kasetsart, the Auckland University of Technology with Chulalongkorn and the University of Auckland with Thammasat University. Author’s interview of Kesanee Palanuwongse, Director of South Pacific Division, American and South Pacific Affairs Department, Ministry of Foreign Affairs, Thailand, 21 November 2010.

40 Vietnamese like to point out that New Zealand has formally recognised their country as a market economy, while “several large economies in the world have not done so” and that New Zealand supported Vietnam’s bid for the WTO and the UN Security Council. Vietnam has a high regard for New Zealand’s soft power and views positively its involvement in Asian affairs. While Australia’s relations with New Zealand can sometimes be affected by the significant Vietnamese community in Australia with antipathy to the regime in Vietnam, New Zealand is less encumbered with this problem and is less likely to touch on sensitive issues like religion and human rights. Author’s e-mail exchanges on 7 and 10 January 2010 with a scholar in Vietnam’s Diplomatic Academy.

STANDING TOGETHER OR APART ON KEY ISSUES?

HOW MUCH DO ASEAN AND NEW ZEALAND STAND TOGETHER ON KEY ISSUES AND EVENTS? AND HOW FAR APART?

Clearly ASEAN and New Zealand share a common interest in peace and stability in Southeast Asia and the broader Asia-Pacific region, and a commitment to UN norms against the use or threat of force to settle disputes. Unlike in New Zealand, political systems are less well developed in Southeast Asia and states are often more prone to internal instability and mistrust of neighbours. Since its formation, ASEAN has also established its own habits and norms that have helped to avoid significant inter-state conflict.

New Zealand was a staunch supporter of ASEAN's diplomatic efforts in the 1980s to isolate Vietnam for its invasion and occupation of Cambodia. Notwithstanding the odious nature of the Khmer Rouge, New Zealand did not waver in its recognition of the coalition government of Democratic Kampuchea. At each annual session of the UN General Assembly it co-sponsored the resolution submitted by ASEAN and lobbied for it in advance. This was in contrast to Australia, which caused considerable unhappiness in ASEAN by withdrawing recognition in 1981 of the ousted government of Democratic Kampuchea, which included the Khmer Rouge, and by Foreign Minister Hayden's visits to Hanoi in 1981 and 1985. Hayden's successor Gareth Evans was to note later, "It was some time – probably not until Australia resumed its co-sponsorship of the ASEAN [UN] resolution in 1988 – before ASEAN accepted that Australia did not seek to erode the ASEAN position on Cambodia, that our involvement was legitimate."⁴¹

Former Australian Prime Minister Kevin Rudd's proposal in 2009-2010 to establish an Asia-Pacific community was controversial in Southeast Asia. Although New Zealand did not publicly oppose it, it is possible that it had quiet reservations about it for two reasons: it entailed the establishment of a caucus of major and middle powers that would likely have excluded New Zealand; and it met opposition or a lukewarm response from most ASEAN members with which there had been no prior consultations.⁴² This was not the first time that Canberra caused angst in ASEAN or to some key ASEAN members through a careless disregard of ASEAN forms and sensitivities.

New Zealand has consistently supported ASEAN's centrality in the regional security architecture. However, it is also conscious that the maintenance of this centrality would depend much on ASEAN itself – whether it can integrate successfully and effectively handle a more challenging regional situation in the future. In this sense it would not dismiss the possibility of modifications or other alternatives in the future if the situation warranted it.⁴³

New Zealand signed the Treaty of Amity and Cooperation on 28 July 2005, thereby affirming its support for the ASEAN countries' desire that outside powers respect their sovereignty and not use force or threat of force in inter-state relations. In contrast, the Howard government in Canberra maintained its reluctance to sign, doing so only four days before the inaugural EAS in Kuala Lumpur on 14 December 2005, because it was a condition set by ASEAN for membership of the EAS. On this issue New Zealand seemed to show better political and diplomatic judgement than Australia.

"New Zealand has consistently supported ASEAN's centrality in the regional security architecture."

⁴¹ See Australia's Foreign Relations in the World of the 1990s, by Gareth Evans and Bruce Grant, page 209. Cited in Graeme Dobell, *Australia Finds Home: The Choices and Chances of an Asia-Pacific Journey*, ABC Books, 2001, page 82.

⁴² The analysis in this paragraph is a personal judgement of the author based on his understanding of New Zealand's interests and its relations with Australia and ASEAN derived from reading media and research reports as well as conversations with scholars.

⁴³ Ibid.

“New Zealand appreciates that political development is likely to proceed at different paces depending upon the internal dynamics in each country, with clear limitations in many cases on the value of hurrying the process through outside pressures.”

ASEAN has had a degree of affinity with New Zealand on the nuclear issue. It established the South East Asia Nuclear Weapons Free Zone (SEANWFZ) through a treaty signed in 1995. SEANWFZ prohibits Southeast Asian countries acquiring nuclear weapons and a protocol to it calls on the world's five nuclear power states not to introduce nuclear weapons in Southeast Asia (none of the nuclear power states has so far signed it). Yet it would be a mistake to read too much into this apparent convergence with New Zealand, because anti-nuclear sentiments do not run as deep in Southeast Asia as in New Zealand and not in the same way. For example, a number of ASEAN countries have allowed American nuclear-propelled vessels to visit their ports. Nevertheless, Rodolfo Severino, the former ASEAN Secretary-General, has described the treaty as “an important component of the global non-proliferation regime” as it is binding on the signatories.⁴⁴ This is especially relevant today because some ASEAN countries are considering building nuclear reactors to diversify their sources of energy.

On Myanmar, ASEAN and New Zealand have had divergent views. However, ASEAN has had less contention on this issue with New Zealand (and Australia) than with the EU and the US, and the overall substance of New Zealand's relations with ASEAN has not been affected. New Zealand has applied UN-mandated sanctions against Myanmar but has kept its criticism of the regime's human rights record relatively low key in ASEAN circles. The only significant problem occurred when Myanmar became the coordinator for the dialogue relationship with New Zealand in 2007-2009: New Zealand did not want to convene the meetings with Myanmar, so nothing much happened in the ASEAN-New Zealand dialogue partnership. One or two ASEAN countries were annoyed, arguing that New Zealand could not pick and choose the ASEAN coordinator. However, Myanmar itself did not seem to make an issue of the matter. New Zealand-ASEAN relations were back on track when Malaysia became the coordinator in 2009.

Yet even at the time of Myanmar's coordinator-ship of the dialogue relationship, New Zealand officials showed respect for and understanding of ASEAN's point of view, although they had to act differently for their own political reasons.⁴⁵

Some divergences on values can be expected to continue given the different political systems, levels of development and historical experiences. However, at the same time there has been a growing convergence between New Zealand and the ASEAN region in the past three or four decades in terms of more open economies, freer trade, reduced poverty and better standards of living, even though sizeable pockets of poverty persist in several countries and per-capita incomes in most still remain well below those of New Zealand. As for democratisation, political freedoms and human rights, the record in Southeast Asia remains more mixed, although some would argue that the overall trend, when viewed against the backdrop of the past four decades, is positive.⁴⁶ The ASEAN Charter and the establishment of the ASEAN Inter-governmental Commission on Human Rights are certainly steps in the right direction, but possibly with a long journey ahead. New Zealand appreciates that political development is likely to proceed at different paces depending upon the internal dynamics in each country, with clear limitations in many cases on the value of hurrying the process through outside pressures. Sound institutions, good governance and state effectiveness in delivering the economic and social goods are essential to help the process of political development.

44 Rodolfo C Severino, *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, page 169.

45 The information in this and the preceding paragraph is based on an interview with Ong Keng Yong.

46 See, for instance, Michael Richardson, “Shared Perceptions” in *Australia-New Zealand & Southeast Asia Relations: An Agenda for Closer Cooperation*, Institute of Southeast Asian Studies, Singapore, 2004, pages 25-43.

"The silence indicated the importance New Zealand attaches to its relations with China."

RELATING TO RISING ASIAN POWERS

IN DISCUSSIONS ON MARITIME DISPUTES IN THE SOUTH CHINA SEA at the 17th ARF meeting in Hanoi in July 2010, the 12 countries that raised the issue of maritime disputes in the South China Sea at the 17th ARF meeting in Hanoi in July 2010 (thereby incurring the displeasure of China) including the US, Australia, Japan, India, South Korea and the EU. However, New Zealand chose to stay silent in the company of four others from Southeast Asia, namely Myanmar, Laos, Cambodia and Thailand⁴⁷ – although New Zealand was well aware of the critical importance of maintaining the traditional international status of the South China Sea. The silence indicated the importance New Zealand attaches to its relations with China.

Both ASEAN and New Zealand are subject to the pull of the major economies of Asia like China, Japan and South Korea. Indeed, these countries are more important trading partners of both New Zealand and the ASEAN region than the two are of each other. Economic dependence on China in particular, and eventually India, is only likely to grow because of their high growth rates and it is likely to be followed by more investments, tourists and students from these rising powers. The economies of Australia and New Zealand are complementary to China's, while those of many ASEAN countries have to compete with China for trade and investments.

So far, the policy trajectories of ASEAN and New Zealand have been broadly similar in wanting to take advantage of the new opportunities to enhance their economic wellbeing. ASEAN prides itself on its engagement with the rising powers with its diplomacy and free trade agreements. However, New Zealand may have done even better.

Apart from continuing to have close relations with Japan, its longer-standing major economic partner,⁴⁸ New Zealand has cultivated an excellent bilateral relationship with China, characterised by regular high-level contacts and an expanding range of official dialogues.⁴⁹ New Zealand became the first OECD country to recognise China as a market economy and the first, and so far the only, OECD member to enter into a comprehensive free trade agreement with China, covering trade in goods, services and investments, which came into force on 1 October 2008.⁵⁰ In 2010 China was New Zealand's second-largest trading partner after Australia. China was the largest source country of foreign students and the fourth-largest source of visitors to New Zealand in the year to August 2010. It also serves as a production platform for New Zealand companies.⁵¹

47 For the names of the countries that raised the issue at the ARF and ADMM + meetings in Hanoi, see Carlyle Thayer's "The United States, China and Southeast Asia" in *Southeast Asian Affairs 2011*, edited by Daljit Singh, Institute of Southeast Asian Studies, Singapore.

48 Japan is New Zealand's fourth-largest trading partner and the fifth-largest investor, with its investments, in the year to 31 March 2009, totalling NZ\$11.5 billion. There are substantial people-to-people relations, and a wide range of links between educational institutions, with Japan being New Zealand's third-largest source of overseas students. The defence and security engagement, while not as close as that between Australia and Japan, has grown in recent years. In international multilateral forums, Japan and New Zealand share similar views and work together on a broad range of global issues, such as: counter-terrorism; UN-mandated peacekeeping operations; the environment and climate change; human rights; and disarmament. Source: New Zealand Ministry of Foreign Affairs and Trade website. Accessed on 8 January 2011.

49 The relationship has also been facilitated by China possibly viewing New Zealand differently from Australia and by its fond memory of New Zealand leftist Rewi Alley's contributions to China and the Chinese revolution in the 60 years he lived and worked in the country until his death in 1987. The *Xin Hua* news agency, on 22 September 2009, cited Chinese Defence Minister Liang Guangli saying on the occasion of the New Zealand Defence Minister's visit to Beijing that, "China and New Zealand enjoy the best relations ever in history with frequent high-level visits, deepening political mutual trust, rapid growth of economic and trade cooperation and good communication and coordination in major international and regional issues".

50 According to Prime Minister Helen Clark, speaking on 7 April 2008 in Beijing on the occasion of the signing of the Agreement, over time the FTA would result in the elimination of 96 percent of tariffs on New Zealand's exports to China.

51 For example, dairy giant Fonterra has several plants in China, while Phil and Teds Most Excellent Buggy Company and Skellerup have design and research and development teams in New Zealand with manufacturing facilities in China from where their products are shipped to other countries. See *Our Future with Asia*, New Zealand Ministry of Foreign Affairs and Trade, 2007. Pages 39-40.

"The AANZ FTA has been timely in helping to deepen ASEAN's traditional relationship with New Zealand and Australia."

A key challenge that ASEAN and its member states and New Zealand face with the rise of the giant Asian powers, China today and India tomorrow, will be how to have close cooperation with them without significantly compromising their independence, especially in view of the lack of clarity about the longer-term strategic intentions of these rising powers.

The ASEAN region is geographically closer to China and more susceptible to its gravitational pull. ASEAN's ten member states are of different internal strengths and degrees of dependence on China. Some are likely to be more vulnerable to an assertive China than others. New Zealand and Australia, stable, developed countries with an entrenched liberal democratic heritage and linked to the Western alliance system, could be better placed to manage the challenge than some of the weaker ASEAN countries – provided they stand together.⁵²

Singapore Foreign Minister George Yeo said during a visit to New Zealand in June 2010 that "we are in a good part of the world" (meaning with opportunities galore) but "our strategy in Southeast Asia is to clump together because if we don't it will be ultimately to our disadvantage".⁵³ This means ASEAN needs to achieve its economic integration and build an ASEAN community. The same logic can be said to apply to New Zealand and Australia. Australia by itself does not carry enough weight in relation to the major countries of Northeast and South Asia, much less New Zealand.⁵⁴ While the New Zealand-Australia condominium needs to coordinate its policies in relation to the new geo-economic and geo-political challenges and opportunities, ASEAN-Australia/New Zealand should also have more dialogue and exchanges of views on the subject and continue their own closer integration. In this context, the AANZ FTA has been timely in helping to deepen ASEAN's traditional relationship with New Zealand and Australia.

52 This paragraph and much of the next consists of personal judgements of the author.

53 "New Zealand hosts Singapore Foreign Minister in Wellington", Asia:NZ online, accessed 12 March 2011.

54 Gareth Evans noted as early as 1993: "Australia does not have the military or economic power to insist on its objectives, and never will. Rather we have to rely largely on our power to persuade", in an address to the National Press Club, Canberra, 2 September 1993. Cited in Graeme Dobell, *Australia Finds Home*, page 23.

"New Zealand's security and defence posture has seemed out of step with these troubling geopolitical trends in Asia."

NEW ZEALAND IN A CHANGING ASIAN SECURITY LANDSCAPE

IF STABILITY IN SOUTHEAST ASIA IS IMPORTANT TO NEW ZEALAND, it is critically important to its defence partner and buffer, Australia, which, separated from Asia only by the narrow Torres Straits, feels directly the "hot breath of Asia on [its] neck", noted by RG Casey, Australia's Minister for External Affairs from 1951 to 1960.⁵⁵ The long-held ASEAN quest for an equilibrium of major power interests in Southeast Asia and the Asia-Pacific should equally be in the interests of New Zealand-Australia, which would not want to see a potentially unfriendly or even hostile power dominate this vast region.

The Western Pacific and Southeast Asian regions, through which major trade routes of export-dependent countries like Australia and New Zealand pass, have enjoyed relative peace and tranquillity in the past 30 years after a long history of conflict and instability. It would be naïve to assume that this respite will continue indefinitely. The region may already be entering a period of strategic instability. China's economic rise and military modernisation have been faster than anticipated even a decade ago. It is developing capabilities to deny US military forces access between the Chinese littoral and the first island chain and has been assertive in pressing its territorial and diplomatic interests. The relative decline of US power, together with its serious economic problems resulting from the 2008 financial crisis, could make America feel insecure about its ability to maintain its strategic primacy in the Western Pacific and expect more support from allies and friends. The uncertainties are compounded by continued Sino-Japanese rivalry, Sino-Indian tensions and the maritime territorial disputes involving Japan, China and Southeast Asian countries.

All this is producing unease that could result in changes in alignments or faster military build-ups. Indeed significant military modernisations are already underway. Australia's 2009 Defence White Paper outlines the dangers ahead and envisages the building of a dozen long-range attack submarines and the purchase of 100 Joint Strike Fighters from the US by 2030.⁵⁶

New Zealand's security and defence posture has seemed out of step with these troubling geopolitical trends in Asia. While Australia has made its military alliance with the US increasingly close and plans to acquire significant new military capabilities, New Zealand's capabilities in some key areas have been reduced since the 1980s. There has been a diminished sense among the New Zealand public of any significant security threat to the country, resulting in fewer resources allocated to defence. In the mid-1980s New Zealand lost the security guarantee provided by the US through the ANZUS Treaty over the issue of visits of nuclear-powered and nuclear-capable US warships to New Zealand ports.⁵⁷ Cocooned in the southwest Pacific, New Zealand feels militarily threatened by no country and is itself a threat to none. Former Prime Minister David Lange once quipped that strategically New Zealand was a dagger pointed at the heart of Antarctica!

55 Cited by Malcolm Cook in *Outlook 13 – Standing Together in Single File: Australian Views of New Zealand and Asia*, page 3, published by Asia New Zealand Foundation, May 2010.

56 In Southeast Asia, planned or recent acquisitions by Vietnam, Malaysia, Singapore and Indonesia include submarines and advanced fourth-generation combat aircraft.

57 In a recent study, Amy Catalinc of Harvard University argues that the main reason for the break with the US then was New Zealand's desire for autonomy in foreign policy, which it felt was constrained by the ANZUS alliance. She points out that a higher proportion of New Zealanders at the time wanted the country to remain a member of the ANZUS alliance than prohibit nuclear ships. See Amy Catalinc, "Why New Zealand Took Itself out of ANZUS: Observing 'Opposition for Autonomy' in Asymmetric Alliances", *Foreign Policy Analysis* (2010) 6, pages 317-338. However, Gerald Hensley, Head of the Prime Minister's Department under Prime Minister David Lange, says that 78 percent of the public at the time supported the ANZUS alliance be nuclear-free. He refers to the wave of New Zealand nationalism touched off by the dispute in which one professor of political science went so far as to call the New Zealand government's decision New Zealand's Declaration of Independence – with the acerbic observation (by Hensley), "What could be more independent than quarrelling with our old friends and wartime saviour?". See Gerald Hensley, *Final Approaches: A Memoir*. Auckland University Press, 2006, page 282

“As a result of fateful decisions taken in 2000, New Zealand today has no combat air force, a navy of just two frigates and an army of two battalions.”

As a result of fateful decisions taken in 2000, New Zealand today has no combat air force, a navy of just two frigates and an army of two battalions. The defence budget of New Zealand in 2009, in US dollar terms, was smaller than that of all the countries of the ASEAN region except Brunei, Cambodia and Laos.⁵⁸ As a percentage of its GDP, New Zealand spends slightly more than half of what Australia spends on defence.⁵⁹

Its military revamp raised some doubts, at least initially, in Southeast Asia as to whether it could continue to be a full partner in the FPDA or lapse into the role of a bit player as Britain has done. Australia felt, at least up to the time of the Keating government, that New Zealand was unable or unwilling to contribute enough to their common defence⁶⁰ and that while Australia had managed to make the alliance with the US more relevant, New Zealand continued “walking in the mists of its own isolationism”.⁶¹

Although increasingly connected to Asia, New Zealand shares the value systems of the West and its security ultimately still depends very much on the Western alliance system in Asia,⁶² no less than it did on Britain and America in an earlier era. If these allies suffer significant setbacks in a war with a major Asian power, as happened in 1941-1942, New Zealand’s security could be endangered. While many Asian countries may applaud New Zealand’s credentials as an international good citizen with its robust support for the UN and its peacekeeping operations, its allies on which it ultimately depends for its security might regard it as a free-rider, if at the same time there were not also a willingness to contribute more to the common defence burden.

It should be noted, though, that New Zealand’s armed forces, while small, are highly regarded for their experience and professionalism and continue to play a security role in several parts of the world. Well trained but low-profile groups of military professionals, like New Zealand’s SAS, are valuable not just in counterterrorism but also in pursuit of other foreign and security policy objectives. New Zealand has also enhanced its amphibious, naval patrol and maritime surveillance capabilities, as well as improved army mobility and military communications. New Zealand has made important contributions to peacekeeping and peace-support operations, including working together with Australia to achieve the stabilisation of East Timor from 1999.⁶³

It has also deployed forces in support of coalition operations in Afghanistan and the Persian Gulf, sustaining in the process a high operational tempo.

58 *The Military Balance 2010*, International Institute for Strategic Studies (IISS), London.

59 IISS, *The Military Balance 2010* - Ibid

60 See Jim Rolfe, *Australia and New Zealand: Towards a More Effective Defence Relationship*, Working Paper No 286, Strategic and Defence Studies Centre, Australian National University, Canberra, 1995; page 18. Cited in Derek Quigley, *The War Against Defence Restructuring*, Canberra Papers on Strategy and Defence No. 166, Strategic and Defence Studies Centre, Australian National University, Canberra 2006.

61 Quigley, *The War Against Defence Restructuring*, pages 107-108.

62 New Zealand’s security guarantor is Australia, which in turn is a member of the US alliance system in Asia, together with Japan, South Korea and a few Southeast Asian countries.

63 At its peak the New Zealand contribution there numbered about 1100 personnel, taking up nearly half the NZDF strength. See Anthony L Smith, *New Zealand-Southeast Asia Relations: A Survey of the Contemporary Relationship*, Outlook 1, page 11, March 2005, published by Asia New Zealand Foundation.

“Yet if New Zealand military capabilities are deployed for a significant South Pacific crisis, little could be left available for a simultaneous Southeast Asian contingency, if contributions were called upon by the FPDA.”

New Zealand's relations with the US have improved markedly in recent years. Indeed even during the years of the “freeze” the New Zealand official elite as well as the general public remained largely pro-American.⁶⁴ The deployment of New Zealand army and special forces troops to Afghanistan and the periodic deployment of frigates in the Arabian Gulf as part of Coalition Task Force 152 operations are clear indications of support for the US, indeed more than what some of America's formal allies have been able to contribute. The Wellington Declaration of 2010, committing the two countries to a strategic partnership, presages more military cooperation, especially in exercises and training. It has been reported that intelligence cooperation was fully restored in 2009.⁶⁵

New Zealand is supportive of a continued US presence in the Western Pacific, US efforts to increase its trade and economic involvement in Asia via the current TPP negotiations, and its assistance for the economic development of the South Pacific.⁶⁶

New Zealand's 2010 Defence White Paper echoes some of the Australian concerns about the strategic trends in the Asia-Pacific. It lacks the robustness of the Australian Defence White Paper, issued a year earlier, on how to respond to these developments. The explanation for this lies partly in resource constraints. The White Paper notes the prohibitive costs to New Zealand of the acquisition of capabilities of the kind that Australia has been acquiring for participation in high-intensity warfare involving major powers. It concedes that, in this regard, “the significant differences between the defence forces of Australia and New Zealand are likely to grow over the next 25 years.”⁶⁷

It is clear from the White Paper that New Zealand will complement the capabilities of its defence partners with its own niche capabilities like maritime reconnaissance, frigates, special forces and the sea and air lift to deploy its small ground forces rapidly. These capabilities will be retained and upgraded or replaced at some point. However, no increase in Navy frigates, leave alone the acquisition of a combat air arm, is envisaged. New Zealand's first security priority will be the South Pacific, a huge maritime zone that includes island states prone to internal instability and potential meddling by outside powers.

The FPDA, which is already accepted in the Asian region as part of the existing security landscape, retains an under-appreciated deterrent value. It is a valuable framework for New Zealand to contribute to security in Southeast Asia. Defence Minister Dr Wayne Mapp said in October 2010, “The FPDA is starting to change again in terms of a kind of connectiveness around maritime security, around an understanding of maritime patrol using both naval capabilities and surveillance aircraft capabilities.”⁶⁸ Yet if New Zealand military capabilities are deployed for a significant South Pacific crisis, little could be left available for a simultaneous Southeast Asian contingency, if contributions were called upon by the FPDA. A more substantial New Zealand role would enhance FPDA credibility and also New Zealand's standing among its traditional friends and allies in Southeast Asia.⁶⁹

64 Author's conversations with Michael Richardson, former Asia editor of the *International Herald Tribune* and veteran observer of Asia, and with a senior New Zealand diplomat. There is a small anti-US lobby in New Zealand that finds voice through activist non-government organisations. Because it is vocal it can get undue prominence in the New Zealand media.

65 Agence France-Presse report dated 13 December 2010, based on a Wikileaks revelation reported in New Zealand's *Sunday Star-Times*, 12 December 2010.

66 Author's conversations with a senior New Zealand diplomat.

67 According to the White Paper, the circumstances in which New Zealand would “consider the possible use of military force” would be: a direct threat to New Zealand; a direct threat to Australia; as part of a collective action in support of a member of the Pacific Islands Forum facing a direct threat; as part of New Zealand's contribution to the FPDA; and if requested or mandated by the UN, especially in support of peace and security in the Asia-Pacific. The White Paper also says: “Tasks in and around New Zealand and the South Pacific will be the starting point for choosing the military capabilities of the NZDF... [Such capabilities] would also allow us to make a credible contribution to stability in Asia as well as further afield.”

68 Robert Karniol's phone interview with the New Zealand Defence Minister, reported in a op-ed by Karniol in *Straits Times* of 26 October 2010, page A24.

69 In conversations with confidential sources, the author formed the impression that while New Zealand is highly valued as an FPDA partner, there is some scepticism regarding what it can really contribute during an emergency, in view of its tiny armed forces that may also have commitments elsewhere.

CONCLUSION

NOT MANY ORDINARY PEOPLE IN THE ASEAN REGION OR IN ASIA would care to ponder much about New Zealand's place in or out of Asia. To them New Zealand is just "there", near the peripheries of the construct called "Asia". If Asians did think about it they would tend to bracket it with Australia as the other English-speaking "white" country in the region, of largely Anglo-Saxon descent, although with numerous links to Asia. Old mental maps of colonial creation, according to which New Zealand and Australia were "Australasia", not "Asia", die hard, reinforced by a sense of cultural differences from "Asia".

Yet, at the same time, old stereotypes like ethnically discriminatory immigration policies have tended to fade away with the transformations that have taken place within New Zealand-Australia and in their relations with Asia. Thus New Zealand is now accepted economically and geopolitically as part of the Asian region. Its soft power attributes are seen as clearly adding value to ASEAN and Southeast Asia, like a breath of fresh air to a region still plagued by many social, economic and governance problems.

While New Zealand has done well in overcoming the impediments of geography and demographics, these constraints will not go away. Population size and economic weight do count. New Zealand will have to work hard to maintain its achievements in the face of intensified competition, for instance by locating more businesses in Asia and moving into higher-value-added, knowledge-based sectors. A major problem the country will continue to face is the loss of talented people to other countries, many of whom do not return to New Zealand.

New Zealand is able to carry greater weight when it works together with Australia, underlining the need for both countries to consult and coordinate their approaches to Southeast Asia and the broader Asian region where this provides synergy. In this sense a joint effort seeking partnership with the ASEAN member states could be seen as a benign manifestation of the New Zealand-Australia condominium.

Since stability in Southeast Asia is vital for New Zealand's (and Australia's) security, New Zealand is wisely putting more resources into ASEAN and the ASEAN region in areas where it has expertise, for instance in educational development and the environment. It could also focus more on the plan for ASEAN connectivity by helping to devise rules and institutions for connectivity through soft infrastructure development.

In defence, New Zealand will probably be living for some time with the tension between limited resources, a limited sense of threat and its desire for independence on the one hand and the expectations of allies and friends on the other. Beyond its present fiscal constraints, New Zealand should consider raising its defence expenditure, as a proportion of its GDP, closer to that of Australia. This would enable it to strengthen its role in the FPDA and help maintain, with Australia and other friends, a power balance in the Southeast Asian region.

Looking into the future, New Zealand will have to continue to work with an ASEAN region and an Asia of different political systems and different levels of development. Parts of this vast region will remain poorly governed and have significant deficiencies in democratic development, observance of human rights, freedom of the media and freedom of religion, even though economically the region can be expected to become progressively more open to trade and investments. So there will be issues on which New Zealand disagrees with ASEAN and other Asian states. New Zealand will need to maintain its virtue of communicating disagreement, even displeasure, without upsetting relations. ASEAN may have its shortcomings, but it is not always without good ideas to enhance regional stability and prosperity, which countries like New Zealand and Australia can take up and help to implement together with the ASEAN members.

"New Zealand is able to carry greater weight when it works together with Australia."

PROFILE - DALJIT SINGH

DALJIT SINGH IS A SENIOR RESEARCH FELLOW AT THE INSTITUTE OF SOUTHEAST ASIAN STUDIES

(ISEAS), Singapore. He read Philosophy and History at the then University of Malaya in Singapore (majoring in Philosophy), and then Politics, Philosophy and Economics at Balliol College, Oxford University. His career has spanned both the Singapore public service and the scholarly world at ISEAS. In government, he served in senior positions in the Ministry of Defence and then the Ministry of Information. While in Defence, he spent an academic year as a Visiting Student at the Center of International Studies, MIT, USA working on Soviet policies in Asia.

At ISEAS, his research interest has been Southeast Asian security, especially the major powers in the region; ASEAN and the regional security architecture; and terrorism. He has written on these subjects in scholarly publications and contributed opinion pieces on a broad range of security issues in the *Straits Times*, *Business Times*, the *International Herald Tribune* and *OpinionAsia*. He is also the editor of *Southeast Asian Affairs*, the annual review of Southeast Asia published by ISEAS.

APPENDIX

THE RESEARCH THAT WENT INTO THE PREPARATION OF THIS IS PAPER was based on official government statements, including ASEAN statements; analyses by independent scholars in New Zealand, Australia, and Southeast Asia; and interviews with relevant people. The interviewees were selected to get a better understanding of three areas: (1) New Zealand's foreign, defence and trade policies to Asia, especially ASEAN and Southeast Asia; (2) ASEAN's view of New Zealand, its policies and place in Asia; (3) Individual Southeast Asian country perspectives.

Apart from reading published material and speaking with people, I had to rely on my background knowledge of and feel for the region based on long experience in the Singapore government and at ISEAS in areas of security, regional architecture, and the international relations of Southeast Asia.

In preparing this paper I benefited from discussions with various people. Special thanks go to two former Secretaries-General of ASEAN, Ambassador Ong Keng Yong and Ambassador Rodolfo C Severino, and to Mr Michael Richardson. I also benefited from lengthy discussion on Thai-New Zealand relations with Kesanee Palanuwongse of Thailand's Ministry of Foreign Affairs. Others with whom I had useful conversations face-to-face or through e-mail and the telephone included Prof Robert Ayson in New Zealand, Professor Hugh White from Australia, Dr Frank Frost in Australia, Professor Zakaria Ahmad in Malaysia, Professor Thitinan Pongsudhirak in Thailand, Dr Evan A Laksmana from Indonesia, Mr Tan Keng Jin, former Singapore High Commissioner to New Zealand, and RMH Rubin, Singapore's present High Commissioner to Wellington. Then there were others in Singapore and Vietnam who shared their perceptions of New Zealand but preferred to remain anonymous, as did a couple of senior New Zealand diplomats posted in Southeast Asia who were willing to discuss aspects of New Zealand's external policies.

I am also much indebted to Dr Andrew Butcher, Director, Policy and Research, at the Asia Zealand Foundation for his advice, and his patience and understanding in dealings with me on this project. Finally, I thank Ambassador Kesavapany, Director of the Institute of Southeast Asian Studies, for his support.

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THE ASIA NEW ZEALAND FOUNDATION (ASIA:NZ) was founded in 1994 as a non-profit, apolitical organisation dedicated to building New Zealand's links with Asia. Through its activities in education, business, media, culture, research and policy, Asia:NZ aims to promote initiatives that deepen understanding and relationships between New Zealanders and the peoples of Asia.

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