

## ASIA FORUM

### *NEW ZEALAND SECURITY: DOES ASIA MATTER?*

*Address by Gerald Hensley, Wednesday, 18 July 2001*

Many years ago, a magazine Put out by the *Not the Nine O'Clock News* team had a ribbon across its cover saying "The Shah: Is He Really Dead?-p.15". When you turned to page 15 a small box said, "Of course he is, you idiot".

You might well think that the question, "does Asia's security matter to us?", is also hardly worth asking. That I could simply say, "Of course it does", and spare you the next twenty minutes. But the strange and rather alarming truth is that many New Zealanders have drifted into the assumption that Asia does not matter to our security. The oceanic distances which surround us insulate us from all but the threat of direct invasion. And short of this unlikely event, they believe, we can and indeed should stand aloof from what at least one Government Minister likes to call 'other people's wars'.

Our new defence policy, announced last May, is founded on these assumptions. It makes the confident judgment that, in the words of last year's Defence Policy Framework, New Zealand "is not likely to be involved in widespread armed conflict", though it advances no evidence to support this view. On that basis we can adopt a 'close-to-home' defence strategy while maintaining two modestly-armed battalions for peacekeeping work, tidying up after other peoples' wars.

The Prime Minister has said that "we live in an incredibly benign strategic environment". We can therefore dispense with anti-submarine aircraft because submarines are not a bother to New Zealand. We can dispense with an air combat force on the grounds that we have never used it, and we can begin the process of re-equipping the navy for more of a fisheries protection and disaster relief role.

The trouble is that our incredibly benign strategic environment does not extend much beyond our own waters. In the South West Pacific armed unrest is testing the stability of several island nations. Indonesia is faced with unrest and insurgency in several provinces which, together with the continuing vacuum in its political leadership, presents the greatest test of its unity and stability since independence. There are tensions in the South China Sea, the Taiwan Straits and the Korean Peninsula. But above all East Asia is uncertain about its strategic future.

It is this issue - the shape of East Asia's future security architecture - which is preoccupying the minds of the region's policy planners, except down south in New Zealand where the curvature of the earth's surface perhaps hides it from our view. For the arrangement of the past half century, where unchallenged American dominance provided the roof under which much of the region became stable and prosperous, is coming to an end.

The rise of China means that henceforth there will be at least two major military powers vying for influence in the region. Its members know that the relationship between the United States and China will decide their future security and their continuing prosperity. They know that the balance in this relationship is changing as China becomes militarily and economically more confident. Over time China will come to exert more influence on the region's affairs and the United States proportionately less. What they do not know is where the new balance will be struck and what risks there will be in getting there.

The critical point is Taiwan. China has declared over many years that she would fight if Taiwan were to attempt independence, and no-one doubts this. The United States has recently dropped its rather frayed doctrine of strategic ambiguity and made it clear that in certain circumstances it would defend Taiwan. So we have in Asia a risk of war between two nuclear powers. It is not enough to say, as a New Zealand politician did to me, "Thank God we are not involved". Because even a non-nuclear war on that scale

would have a disastrous effect on trade, investment and growth throughout the region, including New Zealand.

This is a risk, not a threat. The very size of the stakes will, we can hope, ensure that both sides manage the risk as carefully as possible. The Taiwanese themselves, on whom the final decision rests, must be well aware that whatever other effects a war would have, it would devastate their country. It is not unrealistic to hope that, as investment and other links grow between Taiwan and the mainland and as China's political system becomes more open, the two will draw closer together.

There are also deeper if less focussed worries about the relationship. Fitting a huge new country into an established system is always a delicate matter. Frustrations can build up which can easily turn into a sour nationalism and end in tears. This happened less than a century ago in the case of both Germany and Japan. History need not repeat itself, especially if the international community takes the hint and manages matters with care, but it does remind us of what is at stake over the next generation.

Apart from Taiwan, American and China have no vital interests that conflict. Human rights, Tibet, trade issues can all be managed with sensible diplomacy. There will be bumps and bangs along the way, like the Hainan aircraft incident. Despite his proclaimed inexperience, President Bush seemed to me to manage this with dignity and patience. But China and the United States may be among the most self-consciously nationalist countries in the world and the rumblings of public discontent on both sides are a warning that future collisions will have to be handled skilfully to avoid populist emotions taking over.

Short of open conflict there is a risk that the relationship could degenerate into one of chronic irritability, a kind of grumbling cold war in which each side kept getting constantly across the other. The effects would be very uncomfortable for the rest of us. New divisions would appear in the region, compelling countries over time to align themselves with one or the other; investment would be discouraged and capital would take flight, and there would be a growing sense of insecurity, in New Zealand as elsewhere.

To resist this, to help manage the transition to a new balance as easily as possible, the region's smaller members have a two-pronged strategy. First, they are taking responsibility for a greater share of their defence. The United States is no longer willing, as in the days of the Cold War, to shoulder the burden on its own. Regional countries have no illusions that they can replace the United States, or that they could intervene militarily between that country and China. But they can see, in East Timor and the South China Sea, that American power will no longer be used to deal with every problem. And they understand that having the capability to deter or deal with lesser difficulties avoids the complications of bringing in the big powers.

So every coastal country in the Western Pacific, with the exception of Indonesia and New Zealand, is spending more on its defence. There is no arms race and no increase in tension, simply a steady increase in their security insurance. In every case they are upgrading their military technology to reach beyond their borders and cover their adjacent sea-lanes and trade routes. So they are concentrating, not on land forces, but on sea-air power, as for example is Singapore with its orders for more advanced F16s and plans for six Lafayette-class frigates.

The second prong, as you might expect, is to reinforce this commitment with an active diplomacy. The ASEAN countries took the initiative with their Regional Forum which brings together all the countries in the region, including New Zealand, in an attempt to discuss emerging security problems collectively. China and the US were both wary of being entangled in these Lilliputian strings, as big powers always are, but both have accepted that their business has to be discussed there. It is a gradual process, not to be weighed down with premature expectations, but it has achieved some success already in issues like the South China Sea.

New Zealand is happy enough to join the regional talking but not to make the security commitment. We are defiantly taking the opposite path. Where other countries are concerned about the risk of future conflict, we have confidently ruled it out. Where others including Australia are spending more we have over the past ten years halved the proportion of our GDP devoted to defence. Where almost everyone else is emphasising sea-air capabilities, the remote island state of New Zealand is concentrating on land forces. We seem to take delight in that song of the thirties, "Hooray, hooray, hooray, we're going the wrong way".

The justification is that we don't need to prepare for future conflicts because troubles in Asia are exactly the 'other peoples' wars' which we would do well to stay out of. Korea, Malaya, Confrontation and Vietnam are cited as examples where we should never have intervened. Yet our modest part in those struggles helped bring about the Asia we know today: more democratic, more stable and vastly more prosperous. We have benefited hugely from the Asian miracle which was the consequence. The trade, travel and investment flows have moulded a very disparate collection of countries into a region, and have turned Asia for us from an alien and threatening north into the more familiar presence we know today.

In any case, whatever might be argued about past conflicts, the issue now is whether it is wise or even possible to view our security separately from that of East Asia. In part this involves a judgment about war. Everyone can agree that the nature of war has changed as it has done many times in the past. It is, though, a large leap of logic to assume that it has been abolished. A Member of Parliament recently expressed his confidence that economic links now ruled out the possibility of war. Similar hopes were expressed by John Stuart Mill in 1849 and by Norman Angell in 1908. The hopes are still with us but unfortunately so are the wars.

The plain geographical fact is that the East Asia is the only land mass whose conflicts could directly affect Australia and New Zealand. The South Pacific may make burdensome calls on our resources but it can never threaten our security or our trade. Events in East Asia could do both. This has nothing to do with irrational fears of Asian hordes. It is not our territory which would be at risk but our vital interests, our economic wellbeing. Forty percent of our trade and a growing amount of investment comes from East Asia. The impact on us of the Asian financial crisis four years ago was a reminder that our own prosperity is becoming increasingly dependent on Asia's.

This common interest in prosperity presupposes a common interest in security, for the two are different sides of the same coin: you cannot have trade, investment and growth without stability. Nor can we be a half-member of the region: in for some purposes and not for others. Lee Kuan Yew pointed out some years ago that East Asia is not some Aladdin's cave of riches to be plundered by others without sharing its concerns. If we look increasingly to its economic advantages then we have to look also to the security which underpins them.

Instead we are signalling that we prefer to sit things out. Whether or not this is ever tested by trouble, such a policy can hardly help being viewed as selfish by our friends in the region. A small country that is reluctant to pay its way cannot look for many favours.

This will be most visible in the change which is coming over our relationship with Australia. It is generally accepted that the two countries cannot be defended separately, that a threat to one would immediately be perceived as a threat to the other. This is not just the view of strategic planners: polling in recent years suggests that around 90% of New Zealanders agree.

Because of its size and geography Australia feels vulnerable to any disorders which might break out in the region. Because we have a common security interest it has expected that 91% of New Zealand's forces would be able to help if trouble came. Since Australia's strategy is based on denying the northern sea-air gap to any invader it has placed special emphasis on air and naval combat

forces and on anti-submarine patrolling. But these are exactly the capabilities which we have now dropped or cut back.

Australia has had to conclude that, though New Zealand can still play a valuable role in peacekeeping, it can no longer be relied on for help if major trouble comes. Since defence is for Australia the most important strand of the trans-Tasman relationship this will affect other parts which are important to us. The changes to the historic freedom of migration across the Tasman and the hints that Australia would like to go it alone in negotiating a trade agreement with the United States are the first signs of the way in which our defence policy will modify the Anzac relationship.

Our new policy will also modify the relationship we have long had in South East Asia with Singapore and Malaysia. The Five Power Defence Arrangements, linking those two countries with the United Kingdom, Australia and New Zealand may be in some ways a postcolonial relic but in recent years it has come to play an increasingly important role. It is not just that it is our only formal link to South East Asia's security, but also that its annual exercises have grown into one of the largest and most sophisticated in the region - a significant element in everyone's security calculations.

In recent years there have been calls in New Zealand for our withdrawal from the FPDA as part of the desire to avoid becoming entangled in other peoples' wars. These calls have been resisted; there is too much at stake for our broader relationship with South East Asia. Instead we have quietly dropped out. We have withdrawn, not from the FPDA itself, but from effective participation in it. For the annual exercises are built around the sea-air capabilities of the partners. They test and integrate the combat skills of warships, fighter aircraft and maritime patrol aircraft - again, precisely the capabilities we are dropping or reducing. Though we will still be able to field an occasional warship our dwindling commitment to the partnership is clear to all.

Finally, there is a larger point. All New Zealanders hope for peace, but there is a tendency to assume that peace is the natural state, the default position of mankind. If you remove the various obstacles - whether you believe these to be nuclear weapons, the arms race, poverty or whatever - then, the argument goes, we will have peace. Historical experience suggests that this is a dubious view and perhaps a dangerously complacent one.

Unfortunately there is no reason to believe that peace is where mankind naturally comes to rest. Peace is more elusive than that. It depends on a careful and shifting balance of many factors. It is an equilibrium which requires constant adjustment. And nowhere is this more true than in the Asia-Pacific region.

Peace may be taken for granted among countries which share similar interests, a common outlook and perhaps a common language. War between Australia and New Zealand is as unthinkable as between Canada and the United States or now in Western Europe. But this is not yet the case in East Asia. The past few decades have seen remarkable progress in developing a regional consciousness but we are still a long way from a common outlook. Just because we all wear European suits, eat Chinese food and drive Japanese cars does not mean that we see events in the same way, as the argument over Asian values showed.

In the present delicate period of transition peace in our region is going to have to be worked on more intensively. Relations between China and the West have historically been prone to disastrous misunderstanding and there is little in recent events to suggest that this risk has disappeared. Even small countries can therefore help by pursuing an active diplomacy, provided it is backed by a credible commitment to regional security. New Zealand is gambling that such a commitment is unnecessary. If we are wrong we risk re-learning a painful lesson from the past: that other peoples' wars can easily become our own.