

New Zealand's Indo-Pacific Straitjacket?
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What does the New Zealand government's adoption of Indo-Pacific regional depictions say about Wellington's approach to the geopolitical contest involving China and the United States?

My response to this question has three elements. One is to examine why – and, indeed, whether – it matters that various actors are using Indo-Pacific language to depict a region they were recently still calling the Asia-Pacific. A second is to trace the evolution of New Zealand's approach to Indo-Pacific regional characterisations, noting how a once reluctant participant in these conversations has become more of an enthusiast. The third is to consider what that changing approach tells us about New Zealand's attitude to great power competition.

I suggest that the New Zealand government's Indo-Pacific depictions have increasingly reflected its concerns about the regional power shift which has been working to China's advantage. New Zealand's recent Indo-Pacific depictions also signal a commitment to work with security partners who share these concerns about China, with particular regard to Wellington's interests the South Pacific. This may not have been the signal Wellington was sending when it tentatively joined the Indo-Pacific chorus in 2018. But New Zealand has increasingly connected itself to competitive understandings of regional geopolitics. This may reduce New Zealand's international wriggle room which has often been an asset for its policymakers.

What's in an Indo-Pacific Name?

Beyond New Zealand's experience, there are three ways of understanding the growth in Indo-Pacific depictions. The first is that they are simply a statement of reality. They often invoke the dense flows of goods and energy between the Indian and Pacific Oceans without which East Asia's economic dynamism would be unthinkable. They are also a way of recognizing India's part in the region. Indo-Pacific conceptions reflect the geographical importance of the archipelagic states of maritime Southeast Asia. They also bring to life old arguments about Australia's Indian Ocean outlook, something absent from New Zealand's political geography.

A second interpretation is that today's Indo-Pacific references also communicate strategic preferences about the regional pecking order. As China's power is concentrated in East Asia, Asia-Pacific conceptions can play to Beijing's advantage. By comparison, as my Victoria University of Wellington colleague Manjeet Pardesi has noted, wider Indo-Pacific frames balance that up by emphasising America's trans-Oceanic power projection capabilities and by

bringing India into the mix.¹ Similarly, initial proposals for Indo-Pacific cooperation, especially among the Quad of Indo-Pacific maritime democracies (Japan, the United States, Australia and India) can be viewed as a challenge to China's Belt and Road and related initiatives. But this more competitive vision of the region has not sat comfortably with New Zealand's tradition of avoiding us-and-them formulations.

However, plenty of onlookers argue that the Indo-Pacific emperor has few clothes. Even the Quad has been called ambiguous and of little substance. Any American concept for the region's future will rely heavily on traditional alliances in Asia which President Trump has destabilized. Much of India's focus is to the west rather than far to the east. Japan's Free and Open Indo-Pacific concept, while more agreeable than the Quad, changes little.

In this third interpretation, the greater the consensus there is about using Indo-Pacific terminology, the more malleable – and potentially less meaningful - it becomes. The less demanding Indo-Pacific variation promoted by Indonesia and adopted by ASEAN in 2019, which promises a 'region of dialogue and cooperation instead of rivalry,'² aims to include China and reinforce ASEAN's centrality. This tendency to remove the sharper geopolitical edges present in earlier formulations suggests that Indo-Pacific depictions are nothing to be worried about, even for China.³ All of this has made it safe for New Zealand to enter the Indo-Pacific water. Which brings us to the evolution of New Zealand's approach.

The Three Phases of New Zealand's Indo-Pacific Policy

New Zealand's early reluctance to join the Indo-Pacific chorus was understandable on several grounds. First, unlike Australia, New Zealand lacks an Indian Ocean coast and identity. Second, Asia-Pacific conceptions worked well, supporting New Zealand's engagement in both East Asia and the South Pacific. Why would you want to change a name when the existing version works so adequately?

Third, New Zealand would have been sensitive to concerns among some Southeast Asian countries that Indo-Pacific arguments risked bypassing existing ASEAN-centric regional architecture. However gradual and overlapping, these multilateral processes have been crucial to New Zealand's regional engagement.

Fourth, Wellington has generally not taken well to attempts to promote western interests to the obvious exclusion of China. This would have given it serious

¹ See Manjeet S. Pardesi, 'The Indo-Pacific: a 'new' region or the return of history?', *Australian Journal of International Affairs*, 2019, p. 16.

² Association of Southeast Asian Nations, *ASEAN Outlook on the Asia-Pacific*, 23 June 2019, https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf

³ See Feng Zhang, 'China's Curious Nonchalance Towards the Indo-Pacific', *Survival*, 61:3, 2019, pp. 187-212.

pause in joining a chorus led by Japan, Australia and the United States, whose trilateral cooperation has been energized by a common desire to blunt China's growing influence.

But it's not that easy. Those same three include New Zealand's most important security partners, its main ally, some very important economic relationships, and more. Minding the gap between New Zealand's positioning and theirs is an important part of Wellington's outlook.

As a result the **first phase** was a compromise: Wellington indicated it was comfortable with other states using Indo-Pacific conceptions but said it would not choose to do so itself. New Zealand could not ignore the rising tide in Indo-Pacific conceptions elsewhere, but it was not quite ready to join in. Elements of this approach were reflected in Winston Peters' address to the Otago Foreign Policy School in June 2018, where he noted that:

'An Indo-Pacific configuration makes a lot of sense for some countries – certainly for Australia which has one coast on the Indian Ocean; and for India, bound into Asia by history, geography, and commerce. However, the term "Asia Pacific" resonates with New Zealanders because of our own geography. This is consistent with – and indeed complementary to – our partners' policies.'⁴

But as events turned out, this was only a holding pattern. As my colleague David Capie noted on our *Incline* blog that same month, 'however much Wellington might prefer to hold on to "Asia-Pacific" or "South Pacific," the ground is shifting.'⁵

The **second phase** might be described as cautious and principled adoption. New Zealand's foreign policy is fuelled by fears of exclusion, and to spread risks it is better to be inside as many of the new tents as possible. As more countries joined the Indo-Pacific chorus, the risks of missing out grew. But how do you join something that can be construed as a club that is designed to exclude others, setting up a dynamic that might rebound one day to your disadvantage. Hence the statement on MFAT's website which tries to thread a needle through these tensions. These remarks, delivered by Deputy Secretary Ben King to MFAT's 75th Anniversary Conference held in October 2018, indicate that 'although New Zealand does not border the Indian Ocean as Australia does, we do have interests in the Indo-Pacific. We understand, and we're quite comfortable with, the concept of an Indo-Pacific, and how New Zealand interests are positioned within that.'⁶

⁴ Winston Peters, 'Next Steps', Speech to Otago Foreign Policy School, 29 June 2018, <https://www.beehive.govt.nz/speech/next-steps>

⁵ David Capie, 'Indo-Pacific dominates at Shangri-La: where does that leave New Zealand?', *Incline*, 7 June 2018, <http://www.incline.org.nz/home/indo-pacific-dominates-at-shangri-la-where-does-that-leave-new-zealand>

⁶ MFAT, 'Remarks on the Indo-Pacific – Ben King, Deputy Secretary for Americas and Asia, 23 October 2018', <https://www.mfat.govt.nz/en/media-and->

But these positive words were qualified with the insistence that New Zealand would apply the same principles to Indo-Pacific initiatives, including FOIP proposals, as it did to China's Belt and Road and Asian Infrastructure Investment Bank. These principles included 'openness and inclusivity, transparency, freedom of navigation and overflight, adherence to international law...respect for sovereignty, open markets...and ASEAN centrality.'⁷

It's worth noting that freedom of navigation is a consistent point in the FOIP language of Japan, the United States, and others, and implies a criticism of China's practices in the South China and East China Seas. The same could be said for the reference to international law. By the same token, however, other principles indicate that China is included in New Zealand's thinking about the future regional architecture, and so too is ASEAN. Indeed the knowledge that Southeast countries were busy moving in a similar direction would have helped New Zealand policymakers cross the Indo-Pacific rubicon. In August 2018, Indonesia's Foreign Minister Retno had presented an inclusive and ASEAN-centric Indo-Pacific concept to fellow Ministers at the East Asia Summit.⁸

Wellington was therefore trying to have it both ways. On the one hand, New Zealand's adoption of Indo-Pacific terminology, albeit with conditions attached, brought it closer to the language being used by traditional partners. At last, Canberra might have said, because 2018 was five years since its National Security Strategy, and Foreign and Defence White Papers, had announced Australia's Indo-Pacific understanding of the region. And if United States was using Indo-Pacific language to explain its regional engagement when there was uncertainty about Mr Trump's commitment, moving New Zealand's language in a similar direction was a small encouragement to a continuing US role.

Wellington's new Indo-Pacific language also gave impetus to building closer connections with Japan. The New Zealand-Japan bilateral relationship had been built around economic cooperation, a point reinforced after America's withdrawal gave Tokyo the lead TPP role. But needing to diversify its security connections in the region, Wellington was now seeking to deepen and broaden the Japan relationship. Coming closer on Indo-Pacific thinking helped that.

On the other hand, New Zealand could insist that its Indo-Pacific entry was not at China's expense. China was not being lined up for isolation or exclusion. This dovetails with a similar view during the Key-English era when New Zealand spoke out against the notion, popular in America, that the TPP had been designed to isolate Beijing. This second phase of Indo-Pacific thinking was consistent with New Zealand multilateral policy principles. It did not suggest, at least on the

resources/ministry-statements-and-speeches/remarks-on-indo-pacific-ben-king/

⁷ MFAT, 'Remarks on the Indo-Pacific'.

⁸ See Donald Weatherbee, 'Indonesia, ASEAN, and the Indo-Pacific Cooperation Concept', ISEAS Perspective, No 47, 2019, p. 5.

surface, that New Zealand was using Indo-Pacific language to attach itself to an informal coalition aiming to intensify geopolitical competition in the region.

But we now appear to be in a **third phase** of New Zealand's Indo-Pacific journey. On at least some occasions and in some venues, New Zealand seems to be embracing the competitive geopolitical overtones evident in the Indo-Pacific frameworks of some of its security partners.

For example, this trend has become evident in statements of defence policy, a portfolio held by New Zealand First Minister Ron Mark. The Indo-Pacific makes an appearance in the July 2018 *Strategic Defence Policy Statement* which referred to Australia, the United States and Japan as 'Indo-Pacific partners reinforcing the rules-based order.'⁹ But the document indicates that while these players see the region in Indo-Pacific terms, New Zealand's framework remained an Asia-Pacific one.

Fast forward to October 2019, however, and a process of osmosis appeared to have taken place. In their foreword to a new Defence Assessment on New Zealand's military engagement in the South Pacific, the Secretary of Defence and Chief of Defence Force state that: 'A range of partners maintain special relationships and constitutional obligations in the Pacific, and undertake efforts to support democratic values and the rules-based order throughout the broader Indo-Pacific region. New Zealand Defence seeks to work with these partners, alongside our Pacific partners, to make positive contributions to Pacific security, recognising that we can achieve more together than any of us can manage on our own.'¹⁰

This comment doesn't just confirm New Zealand's comfort with using Indo-Pacific terminology in its own regional analysis. Including the South Pacific – New Zealand's primary area of interest – in that Indo-Pacific conception makes a real difference. This is particularly significant when we consider evidence of the coalition government's concern about China's role in the South Pacific. That concern became clear in Winston Peters' widely noticed 'Shifting the Dial' address in Sydney just a few months after the election.¹¹ A similar concern about China is implicit in last October's *Advancing Pacific Partnerships* assessment, which observes none too cryptically that 'the pace, intensity, and scope of engagement by external actors, who may not always respect our values across their activities, are at the heart of a growing sense of geostrategic competition that is animating many nations' renewed focus on the Pacific.'¹²

In New Zealand's quest to remind close partners to do more in the South Pacific, Indo-Pacific references have become part of New Zealand's diplomatic

⁹ New Zealand Government, *Strategic Defence Policy Statement 2018* (Wellington: Ministry of Defence, July 2018) p. 21.

¹⁰ New Zealand Government, *Advancing Pacific Partnerships*, (Wellington: Ministry of Defence), p. 5.

¹¹ See Winston Peters, 'Shifting the Dial: Speech to Lowy Institute', Sydney, 1 March 2018, <https://www.beehive.govt.nz/speech/shifting-dial>

¹² *Advancing Pacific Partnerships*, p. 7.

argumentation. Speaking in October 2019 to the US-New Zealand Council, Winston Peters insisted that because 'New Zealand already makes strong contributions to defence, security and prosperity across the Indo-Pacific, and across the Blue Continent of the South Pacific'¹³ it was time for the US to get serious about a bilateral Free Trade Agreement. A few days later Peters had New Zealand sharing an Indo-Pacific songsheet with Japan, announcing that a new Joint Declaration on Cooperation in the Pacific Islands Region was 'grounded in the principles of New Zealand's Pacific Reset and Japan's Free and Open Indo-Pacific vision and aligned with Pacific Island countries' priorities.'¹⁴

This followed on the heels of a September 2019 joint statement by Prime Ministers Abe Shinzo and Jacinda Ardern who 'reiterated their commitment to working proactively together to maintain and promote a free and open Indo-Pacific region for ensuring a free, open and rules-based international order.'¹⁵ This extended to shared concern about not just the South China Sea, but the East China Sea also, where the two leaders 'shared their intention to remain in close communication about the situation...and expressed concern about any unilateral actions which increase tensions in the area.'¹⁶ That's the sort of sentiment that one could easily find in a joint statement from the US-Japan-Australia Trilateral Strategic Dialogue.

Implications: New Zealand and the Power Shift

If Phase Two is an Indo-Pacific depiction of the region with kiwi characteristics, in Phase Three New Zealand gets involved in geopolitical arguments being made by stronger powers over which it has much less control. You might wonder, therefore, if something accidental has happened here. New Zealand thought it was safe to dip its toes into the Indo-Pacific. It was unaware that you can't remain half dry when you do so. The current has swept the early guardrails away. The decision in Phase Two for New Zealand to begin using Indo-Pacific formulations was a speech act with dramatic and unintended consequences.

If that explanation is true, New Zealand may have ended up involuntarily wearing an Indo-Pacific straitjacket. Originally committed to a much more inclusive vision for the region, Wellington now finds itself using Indo-Pacific arguments to advance one side of the competition. Starting with the best of intentions, New Zealand policymakers have inadvertently surrendered some of the country's freedom of movement. And in the South Pacific they are encouraging something that almost all New Zealand's foreign policy history

¹³ Winston Peters, 'US-NZ Council Speech', 25 October 2019, <https://www.beehive.govt.nz/speech/us-nz-council-speech>

¹⁴ Winston Peters, 'New Zealand and Japan commit to greater cooperation in the Pacific,' 1 November 2019, <https://www.beehive.govt.nz/release/new-zealand-and-japan-commit-greater-cooperation-pacific>

¹⁵ Jacinda Ardern, 'New Zealand-Japan Summit Joint Statement 2019', 19 September 2019, <https://www.beehive.govt.nz/release/new%C2%A0zealand-japan-summit-joint-statement-2019>

¹⁶ Ardern, 'New Zealand-Japan Summit Joint Statement 2019.'

would question: the intensification of great power rivalry in a sub-region of very small states.

But should we really see New Zealand's Indo-Pacific reasoning as the unwilling generator of a significant and unwanted shift in policy? Perhaps New Zealand's Indo-Pacific conversion is not the *cause* of something bigger. It's the *sign* of something deeper. That deeper thing is a deliberate change in New Zealand's regional outlook. Evidence of that change has been accumulating since the Jacinda Ardern-Winston Peters Labour-NZ First coalition government was established at the end of 2017.

If we ask what a New Zealand Indo-Pacific strategy of a geopolitically competitive sort would look like, we might come up with the following elements, some of which I have dealt with in this talk:

- (i) expressions of growing concern about China's role in our region, including in the South Pacific,
- (ii) expressions of strong encouragement for the US regional presence,
- (iii) efforts to build security cooperation with Japan,
- (iv) expressions of concern, including with some of these partners, about the observance of Free and Open Indo-Pacific principles in the South China and East China Seas,
- (v) investment in military capabilities suitable for maritime roles beyond the South Pacific in coalition with Australia and the US,
- (vi) emphasis on building closer bilateral as well as multilateral links in maritime Southeast Asia,
- (vii) a reluctance to fully endorse China's initiatives, including the BRI; and
- (viii) sustained prioritisation of India as a leading partner.

Except for the last of these, every one of these elements has been a part of the Ardern-Peters era of New Zealand security policy. If there is an Indo-Pacific straitjacket, where New Zealand is being bound into policy lines that picture its region and its options in competitive terms, Wellington has chosen to put it on. We've not been forced into it by others. Nor do we find ourselves so clothed by accident. Wellington's Indo-Pacific language increasingly signals a commitment to one side of the geopolitical competition. And especially in the South Pacific, New Zealand is trying to stop the power shift.

It did not have to end up this way: New Zealand has had choices as its Indo-Pacific attitudes have evolved. There is no automatic transition, for example, between recognizing the reality of Indo-Pacific dynamics and beginning to talk about the region in those terms to using Indo-Pacific arguments to support a competitive geopolitical logic. We know that because some of the harder edges have been filed down from some of the earlier Indo-Pacific conceptions. That dilution is just the sort of thing that normally works for Wellington. But, at least for the time being, the deeper change in New Zealand's strategic outlook is directing traffic.

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