New Zealand: U.S. Security Cooperation and the U.S. Rebalancing to Asia Strategy

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Summary

As part of its strategy to rebalance toward Asia the Obama Administration has greatly expanded cooperation and reestablished close ties with New Zealand. Changes in the security realm have been particularly notable as the two sides have restored close defense cooperation, which was suspended in the mid-1980s due to differences over nuclear policy. The two nations are now working together increasingly closely in the area of defense and security cooperation while also seeking to coordinate efforts in the South Pacific. The United States and New Zealand are also working together to help shape emerging architectures in the Asia-Pacific such as the 11-nation Trans Pacific Partnership (TPP) free trade agreement negotiation in which New Zealand has played a key role.

Members of Congress interested in oversight of the Obama Administration’s rebalancing to Asia strategy and the United States’ presence in the South Pacific as well as Members associated with the Friends of New Zealand Congressional Caucus may be interested in these new developments in the bilateral relationship. Congressional interest has also been demonstrated through Members’ participation in the Pacific Partnership Forum with New Zealand.

In discussing how the United States is updating alliances to address new demands and “building new partnerships,” then-Secretary of State Hillary Rodham Clinton cited in November 2011 the outreach effort to New Zealand, among other countries, as “part of a broader effort to ensure a more comprehensive approach to American strategy and engagement in the region.” She added that “We are asking these emerging partners to join us in shaping and participating in a rules-based regional and global order.” It is of interest to note that New Zealand, a nation that like Australia has fought alongside the United States in most of its wars, is now being reconceived as a “new” partner.

While the current right-of-center government of Prime Minister John Key has moved forward in restoring bilateral ties with the United States, some analysts in New Zealand are concerned that if this trend is taken too far it may threaten New Zealand’s trade interests with China. Others in New Zealand are also concerned that moving too far too fast with the United States may jeopardize New Zealand’s independence in foreign policy.

The Obama Administration’s move away from old restrictions on bilateral ties, as demonstrated by the opening of U.S. naval ports to New Zealand ships, will likely continue to move bilateral ties forward. This desire on both sides to continue to strengthen relations was demonstrated by the 2010 Wellington Declaration and the 2012 Washington Declaration. In the view of many, the improvement in bilateral relations marked by these two agreements will better enable both nations to navigate the shifting geopolitical dynamics of both the South Pacific and the larger the Asia Pacific region, including the rise of China. New Zealand’s national identity, values, and economic interests will all likely influence its external engagement in the years ahead. Values, as well as interests, have played a role in explaining past differences between the United States and New Zealand and why the two nations are once again close Pacific partners.
Contents

New Zealand’s Developing Security Cooperation with the United States .............................. 1
   Introduction .......................................................................................................................... 1
   Expanding U.S.-NZ Security Cooperation ........................................................................ 2
   New Zealand’s Foreign Policy and National Security Orientation ................................. 5
   New Zealand’s Engagement with the South Pacific and Australia ............................... 6
   New Zealand and the Asia Pacific ..................................................................................... 8
   New Zealand and the Rise of China .................................................................................. 9
   Identity, Interests, and Values ......................................................................................... 12
   Strategic Debate in New Zealand .................................................................................... 13

Tables

Table 1. New Zealand’s Main Trading Partners, 2011 ...................................................... 10

Contacts

Author Contact Information ................................................................................................. 15
New Zealand’s Developing Security Cooperation with the United States

Introduction

The return of security cooperation between the United States and New Zealand to a high level has forged a new security partnership between the two countries. The two nations, which fought together in many of America’s wars and established the Australia-New Zealand-United States (ANZUS) alliance in 1951, are once again close security partners in the Asia Pacific and beyond. New Zealand’s nuclear policies in the mid-1980s that prohibited nuclear-armed or nuclear-powered ships from entering New Zealand ports led the United States to restrict bilateral defense cooperation with New Zealand. For many years this difference largely defined the relationship between the two nations.

Recent developments, while not restoring the formal alliance relationship, have greatly bolstered practical aspects of the two nation’s bilateral defense and security cooperation as well as reaffirmed an overall close United States bilateral relationship with New Zealand. The extent to which the nuclear issue had been put into the past was demonstrated when President Obama invited Prime Minister John Key to attend the Nuclear Summit in April 2010 and stated that New Zealand had “well and truly earned a place at the table.”1 New Zealand was the only non-nuclear state invited to the conference.

Several organizations and groups, some involving Members of Congress, help promote bilateral ties between the United States and New Zealand, including the United States-New Zealand Council in Washington, DC, and its counterpart, the New Zealand-United States Council in Wellington; the Friends of New Zealand Congressional Caucus and its New Zealand parliamentary counterpart; and the more recent Pacific Partnership Forum. The U.S.-N.Z. Council was established in 1986 to promote cooperation between the two countries and works with government agencies and business groups to this end. The bipartisan Friends of New Zealand Congressional Caucus was launched by former Representatives Jim Kolbe, Ellen Tauscher, and 52 other Members in February 2005. The caucus has included over 60 Members of Congress. Representative Kevin Brady has since replaced Kolbe as the Republican co-chair of the caucus. The Democrat co-chair, Representative Rick Larsen, replaced Ellen Tauscher when she left the House. The first Partnership Forum was held in April 2006. The next Partnership Forum meeting is scheduled for May 2013.

The Wellington Declaration of 2010 was a key turning point in United States-New Zealand relations. It built on ongoing improvements in the relationship to enable a reorientation of the bilateral relationship that has put aside past differences to focus on the present and future. The degree to which the Wellington Declaration was able to move the relationship forward is attested to by the 2012 Washington Declaration on Defense Cooperation, which consolidated the developing relationship and opened the way for further enhanced strategic dialogue and defense cooperation. This positive momentum in the relationship has been maintained by subsequent developments such as then U.S. Secretary of Defense Leon Panetta’s September 2012 visit to

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1 Audrey Young, “NZ Earned a Place at Nuclear Summit, Obama Tells Key,” New Zealand Herald, April 13, 2010.
New Zealand where he lifted a ban on New Zealand naval ship visits. New Zealand, like many countries in its region, has both benefited economically by the rise of China while at the same time found itself in a period of geopolitical uncertainty that has resulted from China’s rise. Continuing to develop bilateral security ties with New Zealand within this geopolitical context will likely require continued attention by the United States.

**Expanding U.S.-NZ Security Cooperation**

New Zealand’s military commitment to Afghanistan did much to change U.S. perceptions of New Zealand. New Zealand’s commitment of regular troops and other assistance in support of the Provincial Reconstruction Team in Bamiyan Province, Afghanistan, as well as the commitment of Special Forces, demonstrated New Zealand’s value not only in political or diplomatic terms but also as a military partner in the field. These deployments were instrumental in positively affecting perceptions in Washington and underlining the value of partnering with New Zealand in the future.

President Obama described New Zealand as “an outstanding partner” during Prime Minister Key’s visit to Washington in July 2011. This warming of relations added ballast to the relationship and moved forward a process for contemplating how the two nations could enhance their cooperation in a Pacific and broader context.

The Wellington Declaration of November 2010 established in a public way a new strategic partnership between the United States and New Zealand. It stated that “our shared democratic values and common interests” will guide the two nations’ collective action. The Declaration is viewed as putting to rest past differences, which had been fading for some time, to focus on areas of ongoing and future cooperation between the two nations. The agreement reaffirmed their close ties and established a framework of “strategic partnership to shape future practical cooperation and political dialogue.” The agreement also noted that the United States and New Zealand are Pacific nations in addition to emphasizing shared interests and values:

Our governments and peoples share a deep and abiding interest in maintaining peace, prosperity and stability in the region, expanding the benefits of freer and more open trade, and promoting and protecting freedom, democracy and human rights.

The agreement pointed to the need to address regional and global challenges including enhanced dialogue on regional security in the Pacific.

New Zealand and the United States actively support Pacific island countries (PICs) by helping them patrol their Exclusive Economic Zones. Pacific island states have few naval or air assets of their own to patrol these vast maritime zones. New Zealand’s upgraded P-3K2 Orion aircraft and Offshore Patrol Vessels provide it with enhanced capabilities to conduct aerial surveillance and enforcement in the Pacific. New Zealand supports the work of the Forum Fisheries Agency,

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which is an agency of the main regional grouping of Pacific island states, the Pacific Islands Forum, and the Te Vaka Toa Arrangement which provides for enhanced collaboration between New Zealand and PICs in the areas of fisheries protection. The region-wide Niue Treaty also seeks to strengthen regional fisheries protection.

New Zealand works with the United States, as well as with Australia and France, in providing maritime surveillance of the region, particularly in fisheries. This group is known as the Quadrilateral Defense Coordination Group, or Quad. A World Bank study has projected that strengthening fisheries management could yield PICs an additional U.S. $60 million in revenue annually. The U.S. Coast Guard Ship Rider Program works with Forum Fisheries Agency Member states to help them enforce control of their fisheries. The Ship Rider Program seeks to “build capacity and strengthen interoperability among Pacific Island countries” to deal with illegal fishing. The Program puts law enforcement officers from various Pacific island nations on U.S. Coast Guard ships, which can then serve as platforms for boarding commercial vessels found in Pacific Island nations’ exclusive economic zones. The United States and New Zealand also participated in Operation Kurukuru, the single largest monitoring control and surveillance operation conducted in the region to date. New Zealand has also joined the United States in the annual U.S.-led Pacific Partnership exercise. The annual humanitarian assistance and disaster relief exercise is aimed at increasing interoperability in the Pacific among U.S., Australian, New Zealand, and French forces.

Bilateral relations were further enhanced in May and June 2012 by the New Zealand Government’s hosting a number of events to mark the remembrance of U.S. forces that were based in New Zealand during World War II.

Exercises Alam Halfa and Bold Alligator are further evidence of the removal of barriers to bilateral defense exercises between the United States and New Zealand. U.S. troops travelled to New Zealand in June 2012 to work with their New Zealand counterparts in exercise Alam Halfa, which provided soldiers from both countries an opportunity to exchange knowledge on tactics and procedures and set a precedent for future training opportunities. Bold Alligator 2012 was held in January and February 2012 off the coast of Virginia, North Carolina and Florida and included participants from 9 countries including New Zealand.

The significant development of bilateral defense cooperation that followed the Wellington Declaration of 2010, as discussed above, was consolidated and substantially extended by the Washington Declaration of June 2012. The Washington Declaration does much to provide a

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framework for the new strategic partnership for which the Wellington Declaration called. The Washington Declaration, signed by Secretary of Defense Panetta and the Key government’s Minister of Defense Coleman, reaffirmed the increasingly close bilateral relationship by setting principles of cooperation while also discussing purposes, scope, and implementation of expanded defense and security cooperation.\(^\text{13}\)

The agreement marks a return to close security cooperation. Minister Coleman described the Declaration as foreshadowing greater cooperation in maritime security, counterterrorism, humanitarian assistance, and disaster relief in the region while also promoting peace support initiatives. Coleman stated, “This high level arrangement recognizes the significant security cooperation that exists between New Zealand and the United States within the context of our independent foreign policy, and seeks to build upon that cooperation in the years ahead.”\(^\text{14}\) The agreement does much to codify many of the ongoing bilateral arrangements that have been re-established since the Wellington Declaration while also providing a framework for moving defense cooperation forward.\(^\text{15}\)

New Zealand’s return to increasingly close defense cooperation with the United States is not limited to disaster relief and humanitarian assistance. For the first time in 28 years New Zealand defense forces joined with 21 other nations’ militaries in the biennial Rim of the Pacific (RIMPAC) military exercise hosted by the U.S. Pacific Fleet and held off Hawaii. The June to August 2012 exercise involved 42 ships, 6 submarines, over 200 aircraft, and 25,000 defense personnel. New Zealand sent HMNZS Te Kaha and HMNZS Endeavour, a rifle platoon, an Orion P-3K aircraft, and headquarters staff to participate in RIMPAC. Commander Joint Forces New Zealand Major General Dave Gawn stated, “Participation in exercises like RIMPAC also enables the Defense Force to prepare for a variety of contingencies to ensure that New Zealand can play its part effectively in working with other nations to reduce conflict and improve stability in the Pacific and around the world.”\(^\text{16}\)

During his September 2012 visit to New Zealand then-U.S. Defense Secretary Panetta lifted a ban on New Zealand naval ship visits to U.S. ports. This ban had been in place since 1985 and had necessitated obtaining a waiver in order for New Zealand ships to visit U.S. ports. This irritant in the bilateral relationship was demonstrated when New Zealand’s naval vessels participating in RIMPAC 2012 off Hawaii had to berth at a civilian rather than naval port facility in Honolulu. Secretary Panetta stated that the policy shift signals a new era in bilateral ties.\(^\text{17}\) He also signaled that the U.S. Marine Corps may become involved in assisting New Zealand develop its amphibious capabilities as part of the renewed and expanding partnership.\(^\text{18}\) Further high-level exchanges and joint military exercises, particularly in the areas of humanitarian and disaster relief in a Pacific context, appear to be forthcoming.\(^\text{19}\)

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\(^\text{19}\) “Plans for Military to Work with US,” Timaru Herald, December 17, 2012.
New Zealand’s Foreign Policy and National Security Orientation

New Zealand’s foreign policy orientation has shifted over time as has its national identity. New Zealand’s credentials as a loyal supporter of the British Empire were once at the core of the country’s military commitments, external orientation and identity. This was demonstrated by the sacrifices that New Zealand made in support of the British Empire. This commitment existed at a time when the ethnic composition of New Zealand was largely drawn from the United Kingdom. Further, the national narrative was predominantly written by British settlers and their descendants with limited input from the indigenous Māori or inhabitants of New Zealand’s Pacific colonies. In recent decades, the demographics of New Zealand’s growing Māori, Pacific Islander, and Asian populations have changed the country’s national identity and will likely continue to influence New Zealand’s foreign policy towards the Asia Pacific region in future decades.

Through a series of policy documents in recent years New Zealand has been examining its relationships with the South Pacific, Asia and China. New Zealand’s national security and defense interests were defined in the 2010 Defense White Paper as follows:

- A safe and secure New Zealand, including its border and approaches;
- A rules-based international order which respects national sovereignty;
- A network of strong international linkages; and
- A sound global economy underpinned by open trade routes.

The White Paper highlights how “a rules-based international order based on values sympathetic to New Zealand’s own,” such as the primacy of the rule of law and constraints on the unilateral exercise of force, is in New Zealand’s national security interest.

While its national interests are arguably the more salient rationale for existing and past involvement with the South Pacific, New Zealand’s evolving national identity stemming from its shifting demographic composition will likely add impetus to its involvement in the region. The government of New Zealand has identified seven key objectives that underpin its comprehensive concept of national security. The list demonstrates the interrelated nature of interests and values in a New Zealand context:

- Preserving sovereignty and territorial integrity;
- Protecting lines of communication;
- Strengthening international order to promote security;
- Sustaining economic prosperity;
- Maintaining democratic institutions and national values;
- Ensuring public safety; and
- Protecting the natural environment.

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Also articulated in New Zealand’s National Security System document of May 2011 are concerns with structural shifts in global economic power. The document pays particular attention to the implications these shifts could have for the distribution of global military power, as states with growing economies allocate more resources to military spending. The document also points out how New Zealand derives significant benefit from a stable and prosperous Asia, and that “it is in our national interest to uphold and contribute to that favourable environment by supporting regional peace and security.”

New Zealand’s Engagement with the South Pacific and Australia

New Zealand has set itself a goal of strengthening its leadership role in the South Pacific, which it has identified as an area of fragility. In the 2010 Defense White Paper, New Zealand identified the Pacific as a top security priorities for the nation. In articulating New Zealand’s interests in the South Pacific, the White Paper states:

It is in New Zealand’s interest to play a leadership role in the South Pacific for the foreseeable future, acting in concert with our South Pacific neighbours. A weak or unstable South Pacific region poses demographic, economic, criminal, and reputational risks to New Zealand... It will remain in our interests for Pacific Island states to view New Zealand as a trusted member and friend of the Pacific community.

New Zealand has a special relationship with the South Pacific and can play a key role as a partner to promote security, stability and prosperity in the region and beyond. The New Zealand Ministry of Defence has plans for a new Joint Amphibious Task Force (JATF) that will provide “a long term plan for an NZDF which is combat capable, maritime in outlook and expeditionary in nature... it’s about being able to do this across the great expanse of the Pacific.” Based on New Zealand’s experience with peace operations in places such as Bougainville, Timor-Leste, and the Solomon Islands, it appears that the JATF structure will facilitate potential future deployments in the Pacific.

New Zealand’s strategic geography views Polynesia, Melanesia, and Micronesia as its “near abroad.” It should be noted that “near” is a relative term and that the maritime environment encompassed by the South Pacific is immense. New Zealand’s focus on its place in the South Pacific increased in the mid-1980s. This has in part been influenced, as noted above, by New Zealand’s increasing Pacifica population as well as by New Zealand’s national interests in the region.

26 “Pasifika” refers to Pacific cultures collectively which would include Samoans, Cook Islanders, Fijians, etc. in a New Zealand context.
New Zealand has traditionally partnered with Australia, which is its most important strategic partner, in promoting shared security interests in the South Pacific and beyond. The Australia New Zealand Army Corp (ANZAC) spirit remains a core identity for many New Zealanders and gives New Zealand a special bond with Australia. This has found expression in a regional context in joint security operations in Timor-Leste and the Regional Assistance Mission to the Solomon Islands (RAMSI). New Zealand’s strong security relationship with Australia, which was forged at the battle of Gallipoli in World War I, was formalized in the Canberra Pact of 1944 and strengthened through the trilateral Australia, New Zealand, United States (ANZUS) Treaty in 1951. The security relationship was further defined in the bilateral Closer Defense Relations (CDR) agreement in 1991 which was updated in 2008. The 2011 review of New Zealand’s defense relationship with Australia noted Australia and New Zealand’s “mutual commitment to each other’s security and overlapping interest in the security, stability and cohesion of our neighborhood and the broader Asia Pacific.”

An understanding of the role of Pacific identities in the New Zealand polity, as well as New Zealand’s regional interests, informs an understanding of New Zealand’s external gaze and its sense of region. Because of this increasing sense that New Zealand is a Pacific nation, which also stems from its historical role in the Cook Islands, Niue, Samoa, Tuvalu and Tokelau, there is an expectation within the country that it should play a constructive role in regional Pacific affairs. This will likely inform future decisions on New Zealand’s engagement in the region. It has been noted that New Zealand “took a long time to make up its mind that it was a Pacific country, not a European outpost.” It was not until after Britain entered the European Common Market in the 1970s and the ANZUS split in 1984 that New Zealand fully embraced its role as a Pacific state in the post-colonial world.

While New Zealand’s place within the British Empire has done much to shape its history and sense of identity, New Zealand’s role as a colonizing power itself, as in Samoa, is less well understood. In its early history, New Zealand sought to exert a sphere of influence in the area of the Pacific closest to itself by urging the British to “adopt a more forward policy of annexations” while claiming that New Zealand was well suited to rule in Polynesia. In 1849, Sir George Grey sought to thwart the French in New Caledonia. In 1897, Prime Minister Seddon, who viewed New Zealand as a natural leader of island peoples, advocated for the annexation of Pacific islands as far away as Hawaii. The failure of Britain to develop a Monroe Doctrine for the South Pacific apparently “caused chagrin” in New Zealand as American, German, and French influence extended into the region.

A legacy of these desires for a South Pacific sphere of influence can be seen in New Zealand’s constitutional relationships with Tokelau, Niue and the Cook Islands and through its Treaty of Friendship with Samoa. These relationships have some similarities with the United States relationships with Pacific island states and territories. R.J. Seddon also opposed the British withdrawal from Samoa in 1899. The Cook Islands and Niue, which were British protectorates, became part of New Zealand in 1901 and in 1914 New Zealand seized Western Samoa from Germany. New Zealand’s poor handling of the global influenza epidemic in Samoa in 1918, in

29 F.B. Condliffe, “New Zealand’s Troubles in Western Samoa,” Foreign Affairs, April 1930.
which an estimated 20% of the population died, led to widespread resentment of New Zealand’s rule and the Samoan Mau uprising. Tokelau was included in New Zealand’s administration in 1948. At the close of World War II, Australia and New Zealand sought to secure their part of the Pacific. Samoa became the first independent state in Polynesia in 1962 and signed a Treaty of Friendship with New Zealand in the same year. By 1989, 15 Pacific Island states received 70% of New Zealand’s overseas aid.\(^{30}\)

The 2010 “Inquiry into New Zealand’s Relationships with South Pacific Countries,” by the Foreign Affairs, Defense and Trade Committee of Parliament acknowledged the increasing Pacific composition of New Zealand and found that “New Zealand is increasingly part of the regional fabric.” It also noted that “Key partners expect New Zealand to strongly support the maintenance of peace and stability in this region.” The report further stated that “Any instability in the neighbourhood has consequences for all its neighbours”\(^{31}\)

**New Zealand and the Asia Pacific**

Recent New Zealand governments have concluded that the country must invest more time and energy into strengthening its ties with Asia and that it needs to look to new ways to build a shared future in the Asia Pacific region and increase trade and investment linkages.\(^{32}\) Beyond the first circle of interest and engagement, which includes Australia and the South Pacific, is New Zealand’s relationship with the broader Asia Pacific. The relative importance of this extended region has increased in recent years as alternative patterns of trade since the 1970s have shifted New Zealand’s economic focus away from Britain and Europe towards Asia and to a lesser extent the United States. New Zealand’s focus on Asia has to a large extent been an extension of New Zealand’s drive to diversify its export markets and thereby promote its economic security. New Zealand’s multilateral approach and trade agenda has led it to increase its linkages with Asia through such organizations as the East Asia Summit (EAS) and the proposed Trans Pacific Partnership (TPP) agreement.

New Zealanders generally appreciate the importance of Asia. A recent Asia-New Zealand Foundation poll found that 77% of New Zealanders see the Asian region as important to New Zealand’s future. This compares to ratings of importance for Europe with 66%, North America 56%, and the South Pacific 43%. Only Australia, at 86%, was deemed more important to New Zealand’s future than Asia. Eight out of ten New Zealanders also believe that conflict, threats, or instability in Asia could have some impact on New Zealand.\(^{33}\)

While New Zealand’s indigenous Polynesian Māori, and to a lesser but increasing extent Pacific Island populations, have largely been brought into the national identity, it is still unclear how far Asian identities will be brought into the national identity in New Zealand. This sociological process is largely driven by demographics rather than explicit government policy. Current immigration trends indicate that Asian identities will likely be far more prominent in the near

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\(^{30}\) Mary Boyd, in Keith Sinclair, op. cit., p. 301.


\(^{33}\) Colmar Brunton, “New Zealander’s Perceptions of Asia and Asian People in 2010,” Asia New Zealand Foundation, April 2011.
future. In 1994 only 3% of New Zealanders were of Asian ancestry. By 2026, this is projected to grow to 16%.34 This growth represents a rapid demographic shift that may have implications for the social fabric of New Zealand society.

New Zealand and the Rise of China

The New Zealand Government further articulated its strategy for engaging China in the China strategy document “Opening Doors to China: New Zealand’s 2015 Vision.” The document identifies a whole of government approach to growing exports and new markets in China and highlights that New Zealand’s trade relationship with China is “crucial in delivering the Government’s Economic Growth Agenda.”35 China is New Zealand’s second largest export destination and New Zealand exports to China have increased dramatically in recent years. China and New Zealand also significantly reached a Free Trade Agreement in 2008.36 China also sent approximately 150,000 tourists and 21,000 students to New Zealand in 2010.37

Prime Minister Key has stated that “New Zealand welcomes a closer dialogue with China on development cooperation in the Pacific.”38 In April 2012, Foreign Minister McCully reiterated the Key government’s desire to work more closely with China in the Pacific by stating “we can maximise our efforts if we work together more closely.”39 McCully has observed that China has more diplomats in the Pacific than Australia and New Zealand combined despite only having diplomatic representation in eight of the fourteen countries in the Pacific Islands Forum. McCully has also stated that

> I do not regard greater Chinese activity in the Pacific as a great mystery. Nor do I attribute unwholesome motives. China is simply ... undertaking a level of engagement designed to secure access to resources on a scale that will meet its future needs, and establishing a presence through which it can make its other interests clear.40

New Zealand’s economy has become increasingly linked to China.41 The New Zealand Government promotes trade with China and is sensitive to anything that might disturb the nation’s lucrative and growing trade relationship due to the increasing importance of that relationship to New Zealand’s overall economic wellbeing.42 New Zealand’s Free Trade Agreement with China has done much to facilitate New Zealand’s trade.

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34 “Projecting Our Voice,” CSCAP New Zealand, Centre for Strategic Studies, Wellington, April 2012
Table 1. New Zealand’s Main Trading Partners, 2011
[in NZ$ million]

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<thead>
<tr>
<th></th>
<th>Imports</th>
<th>Exports</th>
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<tbody>
<tr>
<td>Australia</td>
<td>7,400</td>
<td>10,314</td>
</tr>
<tr>
<td>China</td>
<td>7,121</td>
<td>5,635</td>
</tr>
<tr>
<td>United States</td>
<td>5,057</td>
<td>3,931</td>
</tr>
<tr>
<td>Japan</td>
<td>2,969</td>
<td>3,371</td>
</tr>
<tr>
<td>Total all countries</td>
<td>45,073</td>
<td>46,072</td>
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There are a range of views in New Zealand on the rise of China, its implications for New Zealand, and the way New Zealand should position itself within the shifting geopolitical and trade dynamics of the region. These views are overwhelmingly informed by New Zealand perceptions of the increasingly important role that China plays in buying New Zealand exports, although geopolitical considerations and the role of values are also important.

Foreign Minister McCully has stated that there is a “natural tendency for the rising powers to define and pursue their interests in a more forthright way.” As a result, McCully has argued that countries large and small should “help mediate that relationship” through diplomacy and regional institutions. McCully also stated that China is looking for resources and seeking to protect its interests as a global player and that the challenge is to increase cooperation and transparency with China and to work together. He added that New Zealand “needs to meet China half way” and develop a more cooperative effort in the Pacific.

Signs exist of increasing sensitivity within some segments of New Zealand society to China’s growing economic influence over the country. This can be seen in the 2012 debate over the Crafar Farms sale of New Zealand agricultural land to a Chinese corporation. This dynamic may in some ways parallel past changes in attitudes towards China in Australia. In Australia, the 2010 trial of Rio Tinto mining executives on charges of spying, and China’s urging of suppression of publicity surrounding Uighur leader Rebiya Kadeer and the Dalai Lama led to a perception by many Australians that the high degree of Australia’s economic closeness to China was leading to Chinese pressure on Australia to make policy decisions that ran counter to many Australians’ values.

There are a range of academic views in New Zealand (and Australia) on China’s role in the region. Some view China as filling a vacuum created by the West while “incorporating the Pacific islands into its broader quest to become a major-Asia-Pacific power” with the long term goal to “ultimately replace the United States as the pre-eminent power in the Pacific Ocean.” Some have also emphasized that China’s “Look South” strategy has led Pacific Island Countries to

increasingly “Look North” to China rather than to traditional Western partners.47 Others take a less concerned view, seeing opportunities for PICs to gain foreign assistance while pointing to China’s limited naval reach.48

While China has adopted a more assertive stance and hardened its position in the South China Sea and the East China Sea, its approach to the Pacific has thus far been less overtly assertive according to some analysts.49 Chinese strategic perceptions of the Pacific, as well as the manner in which it pursues its interest in the region, will influence U.S. and New Zealand perceptions of its role. There is also the potential that a deterioration of the strategic situation in the Western Pacific could influence the dynamic between China and Western powers in the South Pacific. China’s aid to the Pacific, with its relative lack of transparency and focus on buildings and soft loans differs in its approach from Western development assistance.

The region had been an arena for Chinese and Taiwanese diplomatic rivalry, which manifested itself in terms of dollar diplomacy. This rivalry was suspended following the election in 2008 of President Ma Ying-jeou of the Nationalist Party of Taiwan who sought improved relations with China. Ma was returned to office in 2012. Kiribati, the Marshal Islands, Nauru, Palau, the Solomon Islands and Tuvalu are among the 23 governments globally that recognize Taiwan.

In recent years, it appears that China has increased its aid to and engagement with the Pacific to pursue other interests as well. In addition to seeking diplomatic leverage, China is thought to seek to gain access to resources, including minerals, timber, and fish, and to extend its influence in the region. China’s aid program to the Pacific is difficult to quantify but appears to be significant and growing. China is thought to be the third largest aid donor to the Pacific, after Australia and the United States.

New Zealand has expressed interest in working with China in aid projects in the Pacific. This could help draw China into a collaborative posture in the region. If China resists such efforts to cooperate on development projects with Western nations it would then appear that China views its assistance as in competition with Western assistance.50

China’s strategy in the Pacific, when combined with the projected further expansion of Chinese naval capabilities, such as the launch of its first aircraft carrier for sea trials in 2011, appears to be drawing China militarily closer to the Pacific region. China’s increasing military capability will likely give it the ability to be more directly involved in the Pacific region in the future, though the operational integration of naval capabilities, such as aircraft carriers, may take considerable time to develop.

China’s relations with Fiji offer an example of the impact of China’s foreign relations in a South Pacific context. Expanding foreign assistance from and other ties to China have helped Fiji work


50 “Aid Action in Oceania,” *National Times*, April 13, 2011.
around the political ostracism that Australia, New Zealand and others sought to impose on the
regime of Commodore Bainimarama for leading a coup that undermined democratic government
in Fiji. Commodore Bainimarama has stated that it makes sense for Fiji to more closely align
itself with China which does not care about the nature of the regime.\textsuperscript{51} Commodore Bainimarama
stated in January 2013 that the draft constitution would be scrapped and that he would have his
legal office draw up a new constitution. New Zealand Foreign Minister McCully reportedly stated
that this brings into question whether elections anticipated in 2014 would be free and fair.\textsuperscript{52}

Identity, Interests, and Values

An examination of the interrelationship of identity, interests, and values yields insight into the
nature of bilateral relations between the United States and New Zealand. Focusing on identity
fosters understanding of why some in New Zealand have been somewhat skeptical of becoming
overly reliant on a single great and powerful friend. Looking at interests helps explain the extent
to which New Zealand seeks to maximize its economic opportunities in a globalized economy as
well as its perceptions of China. New Zealand’s desire for independence in its external relations
can also be viewed as a consequence of its historical experience.

In terms of values, while the U.S.-New Zealand bilateral relationship has changed over time from
close allies to estranged ones and now back to increasingly close partners, the relationship
between the two states has been close on a cultural or people-to-people basis. Inquiry based on
interests alone does not do justice to the strong ties of culture, history and values that the two
nations share.\textsuperscript{53} It is these common values, as well as shared interests, that explain why these two
democratic nations are once again on track to becoming even closer security partners. Subtle
differences in values can explain past differences, and a more layered and nuanced understanding
of these areas of commonality, and difference, can inform future policy decisions and further
develop an enduring Pacific partnership between the two nations. While shared values are at the
core of the relationship, past history tells us that the relationship must also be tended in order to
reach its full potential.

When New Zealand and U.S. leaders meet there is often an opening reference to the theme of
shared values, partnership, and friendship between the two nations. This makes the relationship
qualitatively deeper than those based only, or predominantly, on common interests.\textsuperscript{54}

“We are very pleased that the relationship between New Zealand and the United States is
growing stronger by the day. Part of that has to do with the great affection that our peoples
have towards each other. Part of it has to do with a great deal of common interests and a
common set of values.” –President Barack Obama


\textsuperscript{52} “Fiji Slammed for Scrapping Draft Constitution,” \textit{Australian Broadcast Corporation}, January 11, 2013.

\textsuperscript{53} These have recently been explored in depth by David Hackett Fischer in his work \textit{Fairness and Freedom: A History
of Two Open Societies: New Zealand and the United States}. Another more comprehensive exploration of connections
within the Anglo-world is James Belich’s \textit{Replenishing the Earth: The Settler Revolution and the Rise of the Anglo
World 1783-1939}.

\textsuperscript{54} Some more notable statements on shared values have been compiled by Stephen Jacobi, Executive Director of the
“New Zealand sees itself as a small but important partner for the US and with our shared values we believe New Zealand can work with the US on efforts to enhance global peace and security.” –Prime Minister John Key

If the United States and New Zealand have largely common values, then why did these two nations, in the period after 1984, have such distance in their relationship? Insights into this answer can be found in subtle differences in the two nation’s values.

The United States and New Zealand share many values drawn from their common roots as largely British settler societies. The two nations’ values, and from these their national identities, have however, evolved differently over time. David Hackett Fischer attributes key differences in values between the United States and New Zealand to the timing of their founding. The United States was founded during the First British Empire when concepts of freedom were paramount. New Zealand was founded later, during the Second British Empire, when concepts of fairness were more prominent. While values are a deep force that can draw the two nations together, they can also be at the core of differences of opinion. The importance of independence of action must be highlighted as a key value for New Zealand foreign policy. This is evident in New Zealand’s support for the U.N. as well as close relations with the United States, its FTA with China, in its leadership on climate change and the environment, as well as its anti-nuclear policy. Other value differences—including differences in the political spectrum of the two nations—views on the role of religion and the state and views on the role of government in public welfare, for example, indirectly influence the bilateral relationship. Attention to these differences can also lead to better understanding of both nations.

**Strategic Debate in New Zealand**

After decades of being friends but not allies, the New Zealand Government under Prime Minister John Key has effectively consolidated a return to close security and defense relations with the United States. The Government’s desire to return to closer ties with the United States coincided with, and was facilitated by, the Obama’s Administration’s move to rebalance U.S. involvement in the Indo-Pacific region. It should be noted that the Key Government built on improvements in the bilateral relationship begun under Key’s predecessor, Helen Clark of the Labour Party, including in the area of security and defense. That said, there is a debate within defense and foreign policy circles in New Zealand where a significant minority would challenge the government’s decision to bring New Zealand closer to the United States. In one poll 47.6% of New Zealanders polled approved of “the U.S. resuming military exercises in New Zealand” while 44% disapproved. 

Strategic debate in New Zealand appears to be coalescing around three loosely defined positions. The first position in the debate, represented by the New Zealand Government, is comfortable with American power in Asia and the Pacific and seeks to actively establish closer political, security, and trade ties with the United States while maintaining close trade relations with China. This dominant view emphasizes the shared values that have underpinned past cooperation with the United States. This position is closer to that of Australia’s strategic posture than the other two

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positions. This is important because of the central position that Australia plays in New Zealand’s strategic plans.

The second perspective places relatively more emphasis on New Zealand’s economic closeness to China, is more worried that New Zealand may have to choose between the United States and China, and fears that this could have negative, largely economic, consequences for New Zealand. This second group, if pushed by an adverse strategic environment, would likely side with the United States. Like all New Zealanders, this group does not want to have to choose between economic and security interests.57

The third group views the United States and China as two great powers, places less emphasis on the role of traditional values, and prefers a more even-handed approach to relations with the United States and China. It also emphasizes New Zealand’s economic interests with China as key to New Zealand’s economic security. This group generally does not oppose enhanced cooperation with the United States as long as it does not compromise New Zealand’s relationship with China. As such, it would likely place limits on developing the bilateral relationship with the United States. Some in this group also emphasize the economic—and by implication the eventual military—decline of the United States relative to China’s rise.58 China has gained much geopolitical influence from its expanding trade relationship with New Zealand. This could lessen somewhat if a potential trade agreement, such as the TPP, were to lessen New Zealand’s reliance on China trade.

A more nuanced understanding of New Zealand’s international posture depends on continuing to better understand New Zealand’s search for independence and economic security and its conceptualization of its strategic space in the South Pacific and more broadly in Asia, as well as its values as they pertain to international and strategic affairs. The relative impact of history and geography in shaping these conceptions has changed over time. As a result, New Zealand is more Pacific-focused and increasingly Asia-focused. Understanding this change will continue to facilitate the United States’ and New Zealand’s partnership in the Pacific and beyond.

While the United States’ strategic and economic geography is global, New Zealand’s geography is more regionally focused on the South Pacific and Asia. New Zealand’s current strategic guidance, as well as its historical relationship with the South Pacific, its changing demographic composition and regional security concerns will continue to call for it to be an active player in its near region. As a result, New Zealand will likely focus its efforts in the South Pacific as its primary area of strategic interest. New Zealand’s economic geography, and its continuing efforts to diversify its trade relations, will likely continue its increasingly broad focus on Asia and regional economic architectures such as the TPP. China’s increasing presence in the South Pacific will also continue to be of interest to New Zealand.

Mainstream thinking in New Zealand sees the country’s strategic interests in the South Pacific and its larger Asia Pacific political and economic interests running largely in tandem with America’s rebalancing towards Asia. America’s rebalancing to the Asia Pacific contains within it


New Zealand: U.S. Security Cooperation and the U.S. Rebalancing to Asia Strategy

a renewed focus on the Pacific which directly brings U.S. and New Zealand conceptions of their strategic geography into the same space.

By agreeing to let past differences over nuclear policy no longer define the relationship the United States shifted its approach to New Zealand in a way that demonstrates respect for New Zealand’s nuclear policy and its independence in foreign affairs and opened the way for a resumption of closer security cooperation. Continued sensitivity to New Zealand’s nuclear stance and its desires for independence in international affairs will likely facilitate further deepening of the rapidly expanding linkages between these two great open societies. Expansion of economic and trade relations between these two, and other, nations through the Trans Pacific Partnership agreement could also further enhance political and strategic ties between the United States and New Zealand.

The above discussion of developing security cooperation between the United States and New Zealand raises a number of questions that may be of interest to Members of Congress interested in oversight of the Administration’s rebalancing to Asia strategy. Among these questions are:

- How does the developing security relationship with New Zealand fit in with the future course of the United States’ rebalancing to Asia strategy?
- What is the correct balance that should be struck between security and economic aspects of the bilateral relationship?
- Is there need for enhanced collaboration between the United States, New Zealand, Australia, and others in coordinating humanitarian assistance, disaster relief, maritime awareness, and regional posture in the South Pacific?
- In what areas and in what ways can the United States and New Zealand best cooperate to advance shared interests in the Asia Pacific region in the future?
- Does the history of bilateral relations with New Zealand contain any lessons that can be learned for improving other bilateral security relationships in the Asia Pacific context?

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