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Agenda for East Asia Summit: A New Zealand Perspective

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At a conference in New Zealand four years ago this month, a notable Indian speaker described India and New Zealand as *'the book ends of Asia'*. He was giving comfort to his audience that within the region there was a fair measure of acceptance of New Zealand's credentials to speak on Asia and participate in discussions of its affairs and its future.

As a few New Zealanders felt in the mid-1940s, a lot did in the mid-1970s, and many of us have the same feeling today; we could now be on the edge of another seismic shift in our country's relationship with this region. Inexorably it seems, the tectonic plates of regional politics and its infrastructure are on the move. How far might that process go? Where is it headed and with what eventual consequences? These are crucially important questions for New Zealand. Our future is inextricably tied up with the destiny this region maps out for itself.

Terms now in common use such as *'East Asia Summit'*, *'Regional Community'*, *'Closer Integration'*, have taken on deliberate meaning. They can not be lightly dismissed. There is a serious undertone to them and they could be of lasting significance. Our deliberations here will help throw light on the issues they raise.

Inevitably there are differing assessments of the current political tremors in the region. What they all mean, whether they will in fact lead to fundamental landscape changes, whether that should even be encouraged to happen.

There is an argument for saying that the wider Asian group of nations including India, and their neighbours in Australia and New Zealand are facing a defining period ahead. A

definite momentum can be discerned. Even if at a quick glance it may at times be barely perceptible.

And of one thing we in New Zealand are certain. If a major reordering of Asia's regional architecture does in fact occur, New Zealand will be swept up in it, in ways that would have been unimaginable six decades ago, or even thirty years ago.

Upon the close of World War Two, New Zealand had to absorb and come to terms with some harsh realities. They posed an unwanted challenge to us as a fledgling in the global arena. It was one of reconciling the European segment of our recent national past, with the new awareness thrust on us by the lessons of the conflict.

No longer would our destiny lie in the comfortable cocoon of common heritage and shared interests, which had helped to overcome the separation of distance from colonial points of origin. The future would be determined largely by the inescapable facts of our physical location.

The post-war era was a painful growing-up and maturing experience for New Zealand. One that many adolescent states have gone through on the path to nationhood. We like to believe it was character-building. Certainly, as a nation it was identity-forming. This is familiar ground to an Indian audience.

The '*emerging New Zealand*' process is continuing to unfold. It is being driven by a number of factors. Three come readily to mind.

One is a keener and increasingly focused appreciation that our place in a globalising world is a modest one. If as a country you account for 0.24 per cent of the world's population and 0.27 per cent of global trade, it is best not to entertain too many illusions of grandeur. Few other nations deem it prudent to step aside when they observe New Zealand on the march.

Nor however can we afford the luxury of a fortress mentality. This is the second point. Despite the constancy of our geography, New Zealand has no immunity to the ebb and flow of global forces. We are as dependent today as at any time in the past two centuries, on making our way and earning a living in an uncertain and uncompromising international arena.

Experience has shown that means for New Zealand, more often than not, joining with a group of 'like-minded'. If we really want, that is, to influence the thinking and behaviour of others on the things that matter most to us. This acceptance that we do not wield a big stick in any shape or form, but work most effectively in concert with congenial partners, is very relevant to the New Zealand perspective on present trends and developments in Asia.

And thirdly, of huge significance too for New Zealand is the reality of the society we are becoming. It is not necessary to look only at the composition of our national sports teams, to be aware of how diverse our population is growing to be. The annual honour boards of academic achievement; the ethnic representation on local and city councils, in the judiciary and at the highest levels of state representation; the cultural mix now engaged in private

sector performance and governance: all these indices benchmark the broad-based, truly multicultural society that is a pervasive fact of contemporary life in New Zealand.

That evolutionary process is one to which the contribution of people of Asian origin is constructive and profound. Currently they make up a relatively small portion -7%- of our population, but that share is expected to rise to 15% in the next fifteen years.

At the same time, it would be wrong to claim that New Zealand always had a vision that its future was one linked to the fate of Asia. Our immediate post-war contacts with the region were small, fragmented and ill-informed. The subsequent hesitant moves we made towards more meaningful relations were gradual, often interrupted and largely dominated by security considerations.

From the mid-seventies onwards New Zealand had and relished the profile of a country that was relatively well-off. We prided ourselves on being generally regarded as motivated by worthy intentions. And we were taken to be usefully well-connected with larger and more powerful players through the network of regional alliances and sub-groupings then existing: ANZUS, SEATO, the Five Power defence arrangements, and so on.

Thirty years ago New Zealand had five key points of focus in its Asian prism. One was to help foster the emergence of the new Asean family of nations. Another was coping with the reconfigured political geography in what was then called 'Indo-China'. A third preoccupation was with managing the newly-established relationship with China and making-up for lost time.

The fourth focus was on finding additional matters of substance of common interest to underpin the links with Japan. Already by the early 1970s that country was the core of our trading activity in the region. Finally, we were apprehensive and not alone in this, about the longer-term impact on US policies towards Asia, flowing from the embarrassment and cost of the Vietnam experience. The bilateral relationship between the two 'bookends' did not feature as a priority for either partner in those days.

Fast forward thirty years and few among us would claim to have forecast the extent to which the political and economic landscape of Asia would alter in that fairly short period. Or to have predicted the constellation of forces at work that has brought it about. The pace and depth of the change has been extraordinary. Not least because, unlike most of the Asian experience of major change in the past several centuries, as India can attest, the contributing factors in the recent transformation have not been externally imposed but largely inward-driven.

In retrospect, the 1997 financial crisis can be seen to have had a profound impact. It revealed a level of interdependence among Asian economies and exposure to their 'neighbours' fiscal woes, that in all probability was not fully appreciated before. It was a salutary lesson. The upside was the way the region pulled itself out of the financial mire, bereft of much serious help from outside the region. This showed a readiness in stressful circumstances, to achieve a substantial and credible degree of policy coherence and collective practical action.

That level of collectivity was contrary to the struggles that Asian states have long faced to construct any worthwhile spirit of togetherness. In this part of the world, a sense of genuine regionalism, to use Robbie Burns words, has always been “*a timid wee beastie*”. Observers of Asian affairs have been more accustomed to witness divisive forces at work in the region, whether in culture, economic advancement, language, political philosophy or territorial aspirations. The commonality of approach surrounding the financial crisis appeared to defy the centuries-old tradition of repeated failure to build a durable base for moving forward in a concerted manner.

To put all that in context, we need also to consider some of the fundamental dynamics now at play in the region. A key factor is that there are now five credible power centres; China, India, Japan, the Republic of Korea and the collective strength of the ASEAN group. Taiwan of course is a special case. Those five powers are not exact equals; ASEAN would not see itself having that status. But unarguably each ‘power centre’ in its own right, commands attention and respect. Each possesses the economic wherewithal and a level of political clout to be a formidable force in the region.

Barring any unforeseen cataclysmic event, they each appear destined to consolidate their position of influence. There is no good reason why they should not aspire to do so, to peaceful ends. Certainly they all display every indication of a determination to move down the path to further growth and development.

That economic progress in Asia has been impressive is beyond debate. Intra-regional commerce, finance, and tourism flows are at historic levels. A complex tapestry of preferential trade agreements is settling into place. And as our deliberations here will confirm, ever more ambitious schemes of regional economic integration are being talked about. This all represents serious bonding.

At the same time, let us not be starry-eyed about what it all means. There are a number of stark differences of view and ambition among the five key players. Some have been around for a long time. They are a legacy of past animosities and conflict. Mixed emotions about each other and many prickly issues remain to be settled. Several flashpoints persist. Their potential to be divisive and disruptive and to frustrate the march of progress cannot be ignored.

Hence, one cannot yet say with confidence that regional rapprochement in Asia is solidly bedded-in. Able enough to withstand and avert any renewal of tensions over real or perceived slights to national dignity and the pursuit of national objectives. That level of comfort has not yet been reached.

The good thing is the major players in the region all seem to recognize there is a new game in town. One they have not yet mastered the rules of. Indeed are still in the process of drafting the rules. Much less have they already reached the point of agreement to administer such an unfamiliar manual according to accepted protocols and procedures.

It is reasonable to ask: what might have to be written and applied, by way of new rules, for the future conduct of bilateral and sub-regional relationships in Asia? For a start, there is encouraging evidence of awareness among the cluster of power centres, both long-

established and recently emerged, that the achievement of dramatic economic growth and commensurate political influence carries with it a particular burden of care and responsibility.

By no count is this a revelation or without precedent. It may have come as some surprise to the USA and the Soviet Union during their protracted stand-off, to discover that mutual possession of the means of mass destruction can in fact serve to temper any wilder enthusiasms. Or the temptation to resort to extreme measures of provocation.

There is no reason to view recent developments in Asia through the apocalyptic prism of cold war antagonisms. Yet some lessons from that barren period need to be heeded and taken to heart. One is that niggling frustrations and festering differences can, if unchecked, escalate into tense situations. Defusing them then becomes a delicate and risky business. It is resource-intensive and time consuming.

The dilemma for Asian nations is that they have never had the ability to access an overarching regional institution with a clear mandate to help resolve differences, or to be a vehicle for fashioning a regional response to a common problem. This was thrown into sharp relief by the financial crisis. Notwithstanding the widely felt, cross-border impact of the crisis, the absence of an adequate regional mechanism for addressing that challenge hampered the prompt implementation of effective remedial measures.

Once the financial crisis had been dealt with, some big questions remained. Had it been a case at long last of 'Asia finding itself'? Or did the incentives to work together created by the crisis amount to a one-off situation, unlikely to be repeated in the short-term? Was the solution simply ad hoc, essentially pragmatic and driven only by national self-interest? Or did it really serve notice that the region now possessed the beginnings of a sense of wider community cohesion. Plus the resource capability and the necessary political will, to tackle other important trans-border challenges?

The measure of the region's maturity will be its ability to address, collectively, emerging issues to do, for example, with anxieties over energy and the environment, flu pandemics and water depletion, post-tsunami devastation and the blight of terrorism. And those issues of a tenacious geopolitical nature, all acutely sensitive, that have long defied mutually acceptable resolution. Here I refer to the array of seemingly intractable issues involving disputed territorial claims, questions of political recognition, and volatile security concerns.

Not so long ago, to have been found talking up the concept of an Asian community and the merits and timeliness of an East Asia Summit, might well have led to one being moved onto a different medication. There is no denying either that deeply-held reservations in a number of quarters preceded the inaugural December 2005 Summit. Who could expect to attend as of right? Who could have a reasonable claim to being there on the basis of sound credentials, even if that meant fulfilling certain conditions prior to being invited to participate?

Such doubts lingered through to the second summit in Cebu, would these gatherings turn-out to be occasions merely for a select group of regional leaders to have more cosy retreats, from which little of real moment would emerge?

Not to my way of thinking. They were bold undertakings to assemble in Kuala Lumpur and subsequently in Cebu, the leaders of sixteen countries including India and New Zealand, representing half the world's population and responsible for one-fifth of global trade. But with no deep-rooted tradition of working cooperatively together. And among whom there linger some differences of long-standing that have proved insoluble to date. Plus some current points of significant friction not to be under-rated.

Let us be clear about one thing. The EAS initiative could have gone badly wrong, however carefully prepared for and managed. It would have, had there not been a disposition to make it work.

A fairer evaluation would be that in Kuala Lumpur and again in Cebu the Summit produced a modest conclusion but one that had some genuine merit. Indicating it would seem that every participant saw they had something to gain from ensuring there was a meaningful result. It could be argued there was general recognition among political leaders that the cause of regional convergence would not be helped by a merely platitudinous outcome.

Certainly the Kuala Lumpur Declaration had a positive tone to it. Agreement was reached to meet annually which surprised some observers and perhaps even some participants. There was mention of concrete issues of common concern; capacity building, energy security, economic integration, eradicating poverty, infectious diseases, coping with natural disasters, promoting trade and investment liberalization, and others.

In Cebu in January this year leaders discussed the concept of a '*comprehensive economic partnership*'. They issued a declaration on East Asian energy security. The suspended world trade talks, North Korea's nuclear aspirations, and a familiar range of humanitarian concerns all came in for attention..

Where to from here? The next summit is likely to take the same prudent approach of not promising dramatic progress in the short-term. Obviously there is an awareness of the risks in trying to attempt too much, too soon and to be seen to be doing so. The process of building a real sense of '*Asian Community*' is a step by step business.

The coming summit in Singapore is another opportunity for leaders to drive progress on a limited number of big issues, three or four, which would resonate with all participants: energy, human security and transnational crime could be early candidates.

And the relationship between the East Asia Summit and existing regional structures, APEC, ARF, ASEAN plus three, and so on, is still blurred and confusing. It needs to be sorted out.

What does all this hold for New Zealand? The lesson of our nation's history is, take one step at a time. But we know that in this context as in others, to be relevant and to have hope of exercising real influence, New Zealand must:

- Find ways of ensuring others know and respect our wishes
- Be invited to the top table when key decisions are pending
- Stand tall in the face of the forces of global and regional change

Those of the glass half empty mindset, in the region and beyond, will argue that East Asia is not to be compared with Europe in the 1950s. They say there is not the same convergence of compelling incentives present to drive Asian States and near neighbours together, as did the pressures that lay behind the creation of the European Coal and Steel Community and led onto the Common Market and the European Union. Asian rifts, it is said, take longer to repair.

Maybe so, but New Zealand would be foolish to assume the same process from tentative experiment to incremental progress will not happen in Asia. We cannot afford to miss the East Asian community 'bus' if it really does begin to move. The signs are that it has already left the terminal

Passive passenger status would never be enough for us. It is not the New Zealand way in its international engagements to ever be content with the role of a 'bit' player. That doesn't mean throwing weight around, there is not much at hand. But we can show sympathy for worthy objectives. We are able to contribute constructive ideas in the fields identified at the Kuala Lumpur and Cebu meetings as being of substantial common interest.

The implications for New Zealand surrounding these major Asian shifts are not as potentially dire but are not dissimilar to the daunting outlook we faced over British entry into Europe. We were obliged then, in the 1970s and 1980s, to mount a protracted campaign to mitigate the most severe fallout from that traumatic disruption to our traditional trade and political connections.

New Zealand is a great deal more 'literate' about Asia today than we could claim to have been about Europe on the eve of British entry. That being said, and contemplating what could loom ahead in our relations with Asia, there is no question we will have to bring the same concentrated focus to bear again. A similar low-key, persistent, single-minded resort to all the techniques of '*soft power*' politicking we can lay grip upon, coupled with a determined, hard-headed pursuit of fundamental national interests.