

Hedging Between Two Seas?

New Zealand in the Indo-Pacific

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The Indo-Pacific: What Strategy Vis-À-Vis China?

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Abstract

A middle power of Oceania with its five million inhabitants and 48th GDP in the world, New Zealand¹ was rather late to embrace the Indo-Pacific terminology. It has however, since then, put it at the center of its Strategic Intentions 2021-2025 and pledged to work towards the region's safety, prosperity and sustainability. Economically dependent on China, although militarily wed to the West, the country has also suffered from a loss of influence in the Pacific due to the greater powers' enhanced interest in the region. This paper argues that, in the Indo-Pacific, New Zealand's firmly independent foreign policy shall be interpreted through the lens of its overarching priorities: the centrality of trade, a rules-based world order, and its anti-nuclear stance. In favor of inclusivity and partnership diversification, New Zealand has however strongly reacted to China's rise in the South Pacific through a new Strategy, the 2018 Pacific Reset, by building upon its shared Pacific identity, renewed diplomatic presence and development aid in selected areas. To maintain its claimed identity as a 'small nation with a loud voice', New Zealand may however, sooner rather than later, have to diversify its trade relations and to cooperate more with existing formats such the Quad on issues of common interest.

Keywords: Indo-Pacific, New Zealand, China, Multilateralism

¹ For clarity purposes, the English name of Aotearoa New Zealand will consistently be used in the paper.

*He ora te whakapiri,
he mate te whakatariri*

— *There is strength in unity, defeat in anger (Māori Proverb)*

At the northernmost tip of New Zealand, Cape Reinga is of utmost importance to Māori spirituality. There, on the long line of tumultuous currents where the Pacific Ocean and the Tasman Sea waters collide, souls of lost Māori warriors were supposed to leap into the great unknown for a final journey to their legendary homeland.

Such navigates New Zealand, in a region where increasing tensions between two great powers collide. Economically dependent on China, but militarily wed to the United States; often wrongfully seen as holding the same positions as its neighbor Australia, New Zealand has strived to grow a voice of its own in the Indo-Pacific. Both an ‘influenced’ middle power and an ‘influencing’ haven in the Pacific islands’ realms, it has relentlessly pushed forward its own overarching priorities, *against* nuclear weapons and exclusion, *in favor of* partnership, inclusivity, multilateralism and sustainability in a rules-based order.

How can this middle power strive for a safe and prosperous Indo-Pacific, while safeguarding its own interests in the Pacific?

Now focusing on the Indo-Pacific as a strategic priority, New Zealand however was slow at embracing the terminology **(I)**. Historically, while very economically dependent on China, it relies on the United States for security and can, as such, be considered as one of the numerous countries hedging in the Indo-Pacific **(II)**. However, its diplomacy and actions have never blindly followed any of the great powers, and can be characterized by its overarching values and priorities **(III)**. Eventually, while balancing all partners, New Zealand wishes to assert its own clout in the Pacific, an area in which China’s initiatives do appear as a threat **(IV)**.

‘New Zealand Is Never Late, Nor Is It Early. It Arrives Precisely When It Means To’²: A Late Embracing of the Indo-Pacific Concept, However Leading to Strategic Centrality

New Zealand was rather late to embrace the ‘Indo-Pacific’ terminology compared to its closest allies. While the concept had first been popularized by late Japanese Prime Minister Shinzo Abe, in an August 2007 speech at the Indian Parliament³, members of the

² All four quotes at the beginning of sub-parts are freely inspired from ‘The Lord of the Rings’ trilogy, shot in New Zealand and that has become a cultural flagship.

³ Abe, ‘Confluence of the Two Seas’, 2007

Quad delved into it shortly after. American Secretary of State Hillary Clinton used it in an address in October 2010⁴. As for Australia, it mentioned the need for a ‘stable Indo-Pacific’ as a core priority in its 2013 Defense White Paper⁵.

Comparatively, New Zealand joined the Indo-Pacific party in its own time. Professor David Capie from the Victoria University of Wellington recalls that, at the 2018 Shangri-La Dialogue held in Singapore, Ron Mark, then Defense Minister of New Zealand, was among the only officials *not* to use the Indo-Pacific terminology⁶. The difference with Australia is again quite telling. While Minister Marise Payne, Australia’s Minister for Defense, insisted on the importance of ‘ensuring that the Indo-Pacific continues to evolve peacefully’⁷, Ron Mark highlighted the Dialogue’s role in ‘promoting understanding across the Asia-Pacific’⁸. Only a year later did the Shangri-La Dialogue speech mention the Indo-Pacific, by dedicating one short, snapping sentence on its ‘facing the tapestry of global challenges’⁹.

Reasons for this delay are multifold. Geography is one. While located in the Pacific Ocean, New Zealand, unlike Australia, does not share a coastline with the Indian Ocean and was probably, as such, weary as to what its place would be should the world’s focus shift to the ‘Indo’. As highlighted by Professor David Capie, the ‘Asia-Pacific’ order had served New Zealand pretty well¹⁰: as a deeply-integrated territory, both militarily and economically, it had just been elected as a non-permanent member of the United Nations Security Council for the term 2015-2016¹¹. At this occasion, former Prime Minister John Key had celebrated the triumph of ‘a honest broker that stands up for what is right’¹² and strived, albeit a ‘small country’¹³, to become one ‘with a loud voice’¹⁴. Any upsetting of the found equilibrium would then appear as a threat for this middle power. Lastly, the conjuncture was not in favor of embracing the ‘Indo-Pacific’ notion just yet. In the early 2020s, New Zealand was about to host the Asia-Pacific Economic Cooperation (APEC) meetings, for the first time since 1999¹⁵. How could it, then, shift from an Asia-Pacific to

⁴ Clinton, ‘America’s Engagement in Asia-Pacific’, 2010

⁵ Parliament of Australia, ‘2013 Defense White Paper’, 2013

⁶ Capie, ‘New Zealand’s Indo-Pacific Dilemma’, 2022

⁷ Payne, ‘Shaping Asia’s Evolving Security Order’, 2018

⁸ Mark, ‘Managing Competition in Regional Security Cooperation’, 2018

⁹ Mark, ‘Ensuring a Resilient and Stable Region’, 2019

¹⁰ Ibid.6

¹¹ BBC, ‘New Zealand Wins Seat on UN Security Council’, 2014

¹² Agence France-Presse, ‘New Zealand PM Says UN Seat a Win for Small States’, 2014

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Asia-Pacific Economic Forum, ‘New Zealand Priorities’, 2021

an Indo-Pacific framework without hindering the relevance of APEC and of its priorities within it: trade, digitalization and sustainability for post-Covid recovery¹⁶?

Paradoxically, once the year-long hosting of APEC's conferences had begun, New Zealand was much keener on adopting the Indo-Pacific terminology. A more in-depth acception of the term can indeed be found in then Prime Minister Jacinda Ardern's 2021 Speech to the New Zealand Institute of International Affairs (NZIIA)¹⁷, an independent think tank and NGO based in Wellington. She thereby addresses the Indo-Pacific as 'central to the country's interests'¹⁸, to be embraced as 'the wider home for New Zealand'¹⁹. Interestingly, although not surprisingly, her definition of what the region encompasses is much narrower than other countries' : it includes 'East Asia, the Pacific, the Indian sub-continent and the Pacific Rim'²⁰. No mention is made of Africa, nor of Middle East or of Latin America, three regions from which New Zealand is virtually absent. Specific references however are made to the United States and Canada. Nevertheless, within the 'wider home' that the Indo-Pacific is, the Pacific itself is singled out as 'home', and 'the region [New Zealand] most squarely identify with'²¹, giving a first taste of a lasting unbalance in the respective importance of 'Indo' on the one hand, and 'Pacific' in the other.

Even more interesting is the way the Indo-Pacific concept is articulated, as one to be cautious about: 'while we welcome the concept [...], we do so based on [our] principles and [our] values'²², reads the speech, before enumerating openness, a rule-based order, transparency, sovereignty and most importantly, inclusivity. The Indo-Pacific should not be used 'as a subtext to exclude some nations from dialogue'²³. The word of warning is spread: embracing the Indo-Pacific terminology does not come at the expense of a successful partnership with China, regardless of the People's Republic's own distaste for it. It does not equal to picking a side.

The Indo-Pacific rhetoric has, since then, shifted from the margins of a couple of chosen speeches, to a central strategic goal. Making of New Zealand 'an active and integral partner'²⁴ in shaping the region is one of the seven *raison d'être* of the Ministry of Foreign Affairs & Trade Strategic Intentions for 2021-2025. Although, interestingly, the

¹⁶ Asia-Pacific Economic Forum, 'New Zealand Priorities', 2021

¹⁷ Ardern, 'Prime Minister's Speech to NZIIA Annual Conference', 2021

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ Ministry of Foreign Affairs and Trade, 'Strategic Intentions', 2021

‘Pacific’ is again enshrined as a goal of its own, whose ‘peacefulness, prosperity and resilience’²⁵ New Zealand shall strive to achieve. Much like in the 2021 NZIIA Annual Conference’s Speech, the dichotomy is preserved.

‘Not All Those Who Hedge Are Lost’: Economically Dependent on China, New Zealand Hedges Through its Military Reliance on the US

Economically dependent on China, while deeply engaged with the United States on issues of security, New Zealand could be described as one of the numerous ‘hedging’ countries in the Indo-Pacific. This practice is defined by The Diplomat as ‘a risk management or mitigation policy similar to insurance’²⁶, that is about ‘sending ambiguous signal to competing powers’²⁷ on what future decisions of alignment may imply. Usually associated with ambiguity and unpredictability, hedging could however be seen as nothing more than ‘instinctive response to uncertainty’²⁸ and a natural consequence of multilateralism. Unlike those of the Cold War, nowadays’ partnerships are not based on exclusive belonging to a great power’s sphere of influence, but rather on multi-layered, topic-based, regionally-enhanced cooperation.

Indeed, New Zealand harbors extensive economic ties with China. These date back to the exceptional first steps of a special relationship as soon as the 2000s. New Zealand was, not only the first developed country to support China’s accession to the World Trade Organization in 2001, but also the first one to officially acknowledge it as a ‘market economy’²⁹. It also was the first developed country to sign a Free Trade Agreement (FTA) with China in 2008³⁰. It eventually remains, to date, the only country to have a FTA with both the People’s Republic of China, and Taiwan and Hong Kong³¹. To Stephen Noakes, Director of the China Studies Centre at the University of Auckland, this exceptionality is no coincidence. China is, in its own way, demonstrating gratefulness to New Zealand’s pathfinding role in acknowledging its booming economic power in the 2000s³². New Zealand’s status as a middle power also allows for the People’s Republic to display more laxity on its singling out of Taiwan and Hong Kong as markets of their own³³. Economic dependence remains, however, large on New Zealand’s part. In 2018, trade accounted for

²⁵ Ministry of Foreign Affairs and Trade, ‘Strategic Intentions’, 2021

²⁶ Chan, ‘Hedging or Balancing ? Australia and New Zealand Differing China Strategies’, 2020

²⁷ Ibid.

²⁸ Smith, ‘Hedging on China’s Rise: Australia and New Zealand Offer Lessons on the Benefits and Pitfalls’, 2021

²⁹ Ministry of Foreign Affairs and Trade, ‘China’, 2023

³⁰ Ibid.

³¹ Ibid.

³² Noakes, ‘China and the World’, 2020

³³ Ibid.

\$30.6 billion³⁴. 30% of New Zealand's exports go to China, with dairy, meat and wood making the podium³⁵. The country also gets electrical machinery, furniture and iron from China³⁶. Given that one in four New Zealanders' jobs rely on exports³⁷, one could say that one in twelve New Zealanders' jobs depend on exports to China. Chinese students also account for 1/5th of all international university students in New Zealand, hence strongly participating to the \$3,16 billion brought annually by international education through tuition fees, visa fees and spendings³⁸.

On the other hand, the United States of America only ranks fourth in the list of economic partners (11%)³⁹, behind China, Australia and the European Union. New Zealand does have strong ties with American partners: like Australia and Canada, it was part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) when the framework entered into force in 2018⁴⁰. It is, nevertheless, on security matters that New Zealand relies most on the United States' and likeminded partners. It is first worth noting that New Zealand is *not* an ally of the United States' on paper. While a collective security agreement, 'ANZUS', had been signed with the US and Australia in 1951, New Zealand was suspended from it in 1986 due to its antinuclear stance and its decision to make national waters nuclear-free⁴¹. Nowadays, the Five Power Defence Arrangements (1971) is the only security agreement, albeit consultative and non-binding, that New Zealand is part of, along with Australia, Malaysia, Singapore and the United Kingdom⁴². It however also collaborates with the United States' intelligence services as one of the Five Eyes (1941), buys weapons from them, has joined US-led coalitions for instance in Afghanistan, and notably collaborates with the States' military in topics of shared interest such as disaster relief, Antarctica and space⁴³. But, despite their country being strongly embedded in the American network of security partners, New Zealanders' confidence in their solidarity wavered under last US presidency⁴⁴. According to a Gallup poll, in 2016, 69% of New Zealanders thought the US surely would defend their island in

³⁴ All prices are expressed in American dollars for clarity. 1 New Zealand Dollar = 0,63 American Dollar as of May 2023.

³⁵ Ministry of Foreign Affairs and Trade, 'China', 2023

³⁶ Ibid.

³⁷ Embassy of the PRC in New Zealand, 'Fact sheet', 2022

³⁸ New Zealand Universities, 'Key Facts', 2022

³⁹ Ibid.35

⁴⁰ Ibid.35

⁴¹ Office of the Historian, 'ANZUS Treaty, 1951', 2023

⁴² Centre for Strategic Studies New Zealand, 'Five Power Defense Arrangements: A New Zealand Perspective', 2013

⁴³ Chase, Moroney, 'Regional Responses to U.S.-China Competition in the Indo-Pacific: Australia and New Zealand', 2020

⁴⁴ Nichols, Ritter, 'US Defense Promise Still Credible in Asia-Pacific', 2018

a military conflict⁴⁵. In 2017, only 55% percent of them thought alike⁴⁶. This plunging difference was much unlike all others in the poll: 79% of Australians also were confident in an American intervention in 2016; they still were 76% in 2017⁴⁷. If a causality can obviously be drawn from Donald Trump's election — the 'approval of US leadership', computed in the same poll, highlighted a 36% decrease between 2016 and 2017⁴⁸ —, the staggering discrepancy between Australian and New Zealanders' levels of confidence does underline how much less solid and unconditional this partnership appears to the latter.

Both economically and militarily, New Zealand's rule of thumb thus appears to be diversification. Although China is by far its first economic partners, agreements and high volumes of trade do exist with a variety of other countries. Adding to the CPTPP, New Zealand also concluded negotiations on a FTA with the European Union in August 2022, that is expected to increase goods' exchanges by 30%⁴⁹. Its FTA with the United Kingdom, signed in the aftermaths of Brexit, will enter into force on May 31st 2023⁵⁰. On military matters, although partnerships with American allies are at the core of New Zealand's action, a Five Year Engagement Plan was signed in 2015 between the People's Liberation Army (PLA) and the New Zealand Defense Forces⁵¹. It was the first of its kind to ever be signed by China with a Western country⁵², and pledged to cooperate for disaster's relief and interoperability.

'All We Have To Decide Is What To Do With The Voice That Is Given To Us': A 'Small Country With A Loud Voice' And Priorities Of Its Own

As previously analyzed, New Zealand's Strategy in the Indo-Pacific, especially with regards to the United States and China, is one of diversification and inclusivity. It is also topic-based, with the weight given to overarching priorities surpassing all other concerns. A grid of analysis that would fail to see this, would deem New Zealand's behavior as lacking coherence, while the country has, to the contrary, remained consistent to principles of historic importance.

⁴⁵ Nichols, Ritter, 'US Defense Promise Still Credible in Asia-Pacific', 2018

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ministry of Foreign Affairs and Trade, 'Trade - Tauhokohoko', 2023

⁵⁰ Ibid.

⁵¹ Capie, Ayson, 'New Zealand-China Defense Ties: Cooperation... And Concerns', 2015

⁵² Ibid.

The first one is the centrality of trade and free trade. A trade-based economy, New Zealand prides itself in having ‘one of the most open markets in the world’⁵³ and is a firm advocate of free and open trade. Quite alike Montesquieu who defended the ‘doux commerce’ as an idea that commercial ties between nations worked in favor of peace⁵⁴, New Zealand has historically seen inclusivity and interdependence as a guarantor for stability, and refused the concept of an exclusive Indo-Pacific⁵⁵. Fear of retaliation towards its economy also has, lately, guided a more cautious approach towards China, on which its exports extensively rely. In June 2020, when the four other members of the Five Eyes released a statement condemning the repression in Hong Kong, New Zealand preferred to abstain and issued its very own declaration⁵⁶. While it did reiterate ‘the importance of fundamental freedom’ and ‘its support to the people of Hong Kong’⁵⁷, no direct mention was made of China disrespecting its international obligations. Trade-wise, the move produced results: from 2020 on, China imposed disruptive sanctions on the Australian economy by blocking about \$20 billion worth of exports⁵⁸. No such sanctions were imposed on New Zealand. Instead, the government got a statement from the China Embassy in New Zealand urging them to ‘stop interfering [...], and do more to promote the sound and steady development of the China-New Zealand relations’⁵⁹.

A second overarching principle is the international rules-based order, described in the 2018 Strategic Defense Policy Statement as ‘according rights to all countries, regardless of their size’⁶⁰. New Zealand has as such consistently denounced threats to the stability, especially in the aforementioned Strategic Statement that elaborated on ‘military deployments in maritime Asia’, ‘growing importance of spheres of influence’, and ‘strategic competition between Beijing and Washington’⁶¹. Language on China itself however remained mild, gently opposing ‘an increasingly confident China’ some actions of which ‘had at time raised tensions’ to ‘Indo-Pacific partners reinforcing the rules-based order’⁶², such as Japan, Australia and the United States. New Zealand’s championing of an ASEAN centrality, as a ‘mediator between great powers’⁶³, was also highlighted. Most interestingly, no condemnation was expressed as targeting China in and by itself, but

⁵³ Ministry of Foreign Affairs and Trade, ‘Trade - Tauhokohoko’, 2023

⁵⁴ Montesquieu, ‘De l’esprit des lois’, 1748

⁵⁵ Ardern, ‘Prime Minister’s Speech to NZIIA Annual Conference’, 2021

⁵⁶ Manch, ‘New Zealand Missing in Five Eyes Condemnation of Beijing over Hong Kong Security Law’, 2020

⁵⁷ Ibid.

⁵⁸ Armstrong, ‘Learning the right lessons from Chinese sanctions on Australian Imports’, 2023

⁵⁹ Manch, ‘China Urges New Zealand to ‘Stop Interfering in Hong Kong Affairs’, after Criticisms over Security Law’, 2020

⁶⁰ New Zealand Government, ‘Strategic Defense Policy Statement’, 2018

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

much rather bemoaned specific events, in an approach that could be hereby summed up: ‘China is not a bad player, but bad things have been done by it’. Only recently, following the invasion of Ukraine, the Security Pact with the Solomon Islands and the risings tensions in the South China Sea and the Taiwan Strait, has the tone toughened, especially with the Ministry of Foreign Affairs and Trade Nanaia Mahuta’s visit to China in March 2023⁶⁴. This follows the trend of increasingly grim perceptions of China by New Zealanders: according to the Asia-New Zealand Foundation, while 22% of New Zealanders perceived China as threatening in 2019, they were 36% in 2020, following Covid-19 and the events in Hong Kong⁶⁵. Citizens however still ranked China as the one country with which relationships should be reinforced, mainly for the sake of trade and economic opportunities⁶⁶.

As previously mentioned, while fully conscious of the threats to the global order and a close partner of Australia’s, New Zealand has not unconditionally joined all military alliances of its due to a third principle: its antinuclear stance. It is no member of the Quadrilateral Security Dialogue, established in 2007 between Australia, India, Japan and the United States⁶⁷. Cooperation was however put in place in March 2020 within the Quad+ framework, following the Covid-19 outburst⁶⁸. Neither did it join AUKUS, announced in 2021 with an explicit anti-Chinese position and that planned on helping Australia acquire nuclear submarines⁶⁹. New Zealand indeed has been a nuclear-free zone since 1984⁷⁰ and has enshrined this principle at the core of its diplomacy. The 2018 Strategic Defense Statement reiterates its championing of a Nuclear Weapons Ban Treaty⁷¹. The Strategic Intentions 2021-2025 also cite ‘advancing the Treaty’ as one of the goals of the ‘strengthening international rules and multilateral system’ chapter⁷². Eventually, while the deeply-imprinted dismay of nuclear weapons has prevented New Zealand from engaging with the Quad and AUKUS when the partnerships’ main goals were weapon acquisition and rivalry with China, further cooperation may become relevant in areas of national interest, such as cybersecurity or the fight against climate change in the Indo-Pacific⁷³.

⁶⁴ Reuters, ‘New Zealand Raises Concerns with China on South China Sea, Taiwan’, 2023

⁶⁵ Asia New Zealand Foundation, ‘New Zealanders’ Perceptions of Asia and Asian People’, 2021

⁶⁶ Ibid.

⁶⁷ Buchan, Rimland, ‘Defining the Diamond: the Past, Present, and Future of the Quadrilateral Security Dialogue’, 2020

⁶⁸ Ibid.

⁶⁹ Lee, Nason, ‘365 Days of AUKUS: Progress, challenges and prospects’, 2022

⁷⁰ New Zealand Parliamentary Counsel Office, ‘New Zealand Nuclear Free Zone, Disarmament and Control Act’, 1987

⁷¹ New Zealand Government, ‘Strategic Defense Policy Statement’, 2018

⁷² Ministry of Foreign Affairs and Trade, ‘Strategic Intentions’, 2021

⁷³ Capie, ‘New Zealand’s Indo-Pacific Dilemma’, 2022

New Zealand has historically conducted a very independent diplomacy, without automatically aligning on to its partners' declarations. Its priorities remain as such very topic-based, on issues such as trade, the world order and the maintenance of its nuclear-free zone. Protecting these overarching guarantees hence has notably dictated the conduct of its foreign policy, as well as military partnerships and lack thereof in the past years.

‘Small Hands Move The Wheels Of The World, While The Eyes Of The Great Are Elsewhere’: Remaining the ‘Preferred Partner’ in the Pacific

We have seen that the Strategic Intentions 2021-2025, the one document that comes closest to being a New Zealand Indo-Pacific Strategy, was centered around five topical Strategic goals (including a rules-based world order, the environment, security and economic returns) and two geographical ones: Indo-Pacific and the Pacific, characterized as ‘New Zealand’s home’⁷⁴. The Pacific also benefits from a Strategy of its own, the ‘Pacific Reset 2018’, that highlighted the region as the ‘top foreign policy priority’⁷⁵. While New Zealand already was the second largest donor in the Pacific, right behind Australia⁷⁶, the Reset announced significant budgetary increase (including of \$500 million over four years to support diplomatic and development activities)⁷⁷, enhanced diplomatic presence and reinforced action on areas of focus: climate change, good governance, transparency, human rights and gender⁷⁸.

The Pacific Reset came as a natural development of a strong Pacific identity, deeply embedded in the society. 9% of New Zealand’s population is of Pacific descent, adding up to the 16% citizens of Māori ethnicity⁷⁹. New Zealand has also enacted agreements of free association with the Cook Islands, Niue Islands and Tokelau, and provides budgetary help and distant political oversight⁸⁰. While a Pacific Island itself, New Zealand can also find, in this region of micro states, an area in which to ‘wield the [most] influence and have the [most] positive impact’⁸¹. Its limited economic, demographic, political and military weight comparatively holds more value in a framework within which it benefits from both legitimacy and historical engagement, and where it can act as a ‘bigger power’⁸².

⁷⁴ Ministry of Foreign Affairs and Trade, ‘Strategic Intentions’, 2021

⁷⁵ Cabinet External Relations and Security Committee, ‘The Pacific Reset: the First Year’, 2019

⁷⁶ Powles, ‘Identity, National Security and Influence: the ‘Pacific Reset’ and New Zealand’s Relations with the Pacific Islands’, 2021

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Stats NZ, ‘Population’, 2023

⁸⁰ Te Ara, ‘New Zealand and the Pacific’, 2023

⁸¹ Smith, Wesley-Smith, ‘The China Alternative’, 2021

⁸² Ibid.

China's increasing activity in the region hence appeared as a threat to New Zealand's influence and stability. When the Belt and Road Initiative was announced in 2013 with the purpose to build a network of land and maritime trade routes around China, the inclusion of the Pacific Islands, that are far from representing a substantive market, came as a symbol of other, bigger purposes of the People's Republic in this area where a couple of island States still held diplomatic relations with Taiwan⁸³. Now the region's second largest trading partner, China has managed to have both Kiribati Islands and the Solomon Islands switch their diplomatic recognition in 2019⁸⁴. Countries such as Samoa and Tonga hold high levels of debt due to China's 'chequebook' diplomacy, and the island States' vulnerability to climate change offers yet another opportunity for external influence⁸⁵. The signing of a China-Solomon Islands Security Agreement in April 2022, that allowed for Chinese military personnel to be deployed on the Islands, also paved the way for increased presence in the region⁸⁶.

Although New Zealand had initially welcomed more attention being given to the South Pacific, it quickly backtracked. In 2018, a few weeks before revealing the Pacific Reset, Deputy Prime Minister Winston Peters denounced — though without naming China — 'a number of players doing certain things' that were 'not good for the peace and security, or for democracy'⁸⁷. Faced with the Chinese rise in their literal backyard, that would lead to these events, the Pacific Reset then came as a response, with the explicit goal to represent a 'refreshment' rather than an 'amended status quo'⁸⁸. The country had indeed long regarded 'the stability of the Pacific' as 'directly tied' to its national security and was, as such, worried that the increasing engagement of actors such as China would curb its own influence in the region⁸⁹.

To secure its position in the South Pacific, New Zealand insisted, not only on its being part of it, but also on the links of 'friendship' and 'partnership'⁹⁰. In line with the Pacific Reset's heightened budget and diplomatic ties, the Strategic Intentions 2021-2025 highlighted its will to remain the Pacific's 'preferred and prominent' partner⁹¹. To achieve this, the country has played on its strength, by pinpointing areas of development in which it is most experienced, such as agriculture, forestry, fishing and energy, rather than try to

⁸³ Smith, Wesley-Smith, 'The China Alternative', 2021

⁸⁴ Dayant, 'Follow the Money: How Foreign Aid Spending Tells of Pacific Authorities', 2019

⁸⁵ Powles, 'Identity, National Security and Influence: the 'Pacific Reset' and New Zealand's Relations with the Pacific Islands', 2021

⁸⁶ Kabutaulaka, 'China-Solomon Islands Security Agreement and Competition for Influence in Oceania', 2022

⁸⁷ Ibid.83

⁸⁸ Ibid.85

⁸⁹ Ibid.85

⁹⁰ Ibid.85

⁹¹ Ministry of Foreign Affairs and Trade, 'Strategic Intentions', 2021

rival China in infrastructure, communication and transportation⁹². It has also built upon concepts of Pacific heritage, deeply entrenched in the Māori identity and in New Zealand's nation branding. That of *mana*, a synonym of 'power', 'agency' and 'authority', was used by Foreign Affairs Minister Nanaia Mahuta in a December 2022⁹³, where she talked of 'recognizing each country's inherent *mana*' and being a partner that Pacific Islands 'want' to work with rather than feel coerced to⁹⁴. 'Kaitiakitanga' (stewardship of the environment), the seventh objective of the Strategic Intentions, was also mobilized to speak to a region 'under threat'⁹⁵, due to sea level rise, illegal exploitation of resources, pollution and ocean acidification, demonstrating a community of spirits and the will to work on solving common threats⁹⁶.

To conclude, despite having embraced the 'Indo-Pacific' terminology much later than its traditional partner, New Zealand has eventually acknowledged it as its 'wider home' and put it at the fore of its Strategic Intentions 2021-2025. Economically dependent on China, with which a special relationship made of 'firsts' has strongly been going on; while militarily linked to the United States and its allies, the country has consistently built its foreign policy on the overarching principles of independence, inclusiveness and diversification. New Zealand's diplomacy has, as such, pushed the centrality of trade, the respect for a rules-based order and its non-negotiable anti-nuclear stance as means to safeguard a stable, prosperous and sustainable Indo-Pacific. Within this realm, the South Pacific, the country's 'home', however occupies a most important place, as demonstrated by the 2018 Pacific Reset Strategy. Worried by China's rising influence in the region, New Zealand has indeed strive to re-assert its interest towards partnerships on equal footing, through enhanced diplomatic presence and development aid. Conscious of its size and limited capabilities, it has cleverly focused on a geography and on specific, nation-branding topics of expertise to develop its influence.

As geo-strategic tensions in the Indo-Pacific rise, New Zealand's position of inclusiveness and independence may however waver. Further cooperation with Quad and AUKUS members through new formats may become interesting to work upon, on issues of national interests such as maritime security, sustainability, climate disaster relief and the Pacific Islands. Building on the country's dependency to trade, the search for new and diversified markets may also become instrumental to New Zealand's sovereignty and political independence. In this regards, the relationships with ASEAN — which which

⁹² Dayant, 'Follow the Money: How Foreign Aid Spending Tells of Pacific Authorities', 2019

⁹³ Mahuta, 'DevNet 2022: Keynote address', 2022

⁹⁴ Ibid.

⁹⁵ Ministry of Foreign Affairs and Trade, 'Strategic Intentions', 2021

⁹⁶ Ibid.

trade has increased by 66% since 2010⁹⁷ — and with India, within the framework of the recently adopted India-New Zealand 2025: Investing in the Relationship Strategy⁹⁸, may provide constructive opportunities in the future.

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⁹⁷ Ministry of Foreign Affairs and Trade, ‘ASEAN’, 2023

⁹⁸ Ministry of Foreign Affairs and Trade, ‘India’, 2023

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