Robert Ayson

The Ardern Government’s Foreign Policy Challenges

Abstract

With pressures growing on international rules, Jacinda Ardern’s new government faces extra challenges in shaping a principled New Zealand foreign policy based on the consistent assertion of values. Many of these external challenges are being felt in Asia. Even if force can be avoided on the Korean peninsula, escalating tariff competition between the United States and China may signal deep challenges for the rules of the road that suit New Zealand. As the wider storm clouds grow, the Ardern government’s focus on the South Pacific in cooperation with Australia offers some respite. But the Labour–New Zealand First coalition may complicate the delivery of predictable and creditable foreign policy stances.

Keywords foreign policy, security, trade, Asia, Pacific

In its briefing document for Winston Peters, the incoming minister of foreign affairs, the country’s diplomats made no bones about the challenges ahead: ‘New Zealand is pursuing its interests in a turbulent environment where the risks for small countries are acute’ (Ministry of Foreign Affairs and Trade, 2017, p.6).

This article provides a snapshot of some of New Zealand’s leading international policy challenges and what these mean for Wellington’s international policy preferences. As the reader will note, many of these external challenges are occurring in the Asia–Pacific region. This is not only the location for many of New Zealand’s most significant interests. It is also the region where the Ardern government will need to work doubly hard to find partners sharing at least some of Wellington’s international priorities.

Regional peace

New Zealand general election outcomes are seldom shaped by foreign policy debates. No exception to this rule is the changed political landscape which has produced Jacinda Ardern’s Labour-led coalition government. The new prime minister’s rise was propelled by domestic political concerns about housing, child poverty and income inequality. But the new coalition has also taken office at a time of serious doubt and fluidity in international politics.

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trade and investment opportunities in a favourable regional environment. But at the time of New Zealand’s general election in September 2017, concern was growing about a possible war over North Korea’s accelerating nuclear weapons programme.

The United States intelligence community was on the cusp of judging that Kim Jong-Un’s regime could bring a nuclear-armed intercontinental ballistic missile back into the earth’s atmosphere and deliver a nuclear weapon onto a continental American target. Newly inaugurated president Donald Trump had asserted that this North Korean breakthrough would not happen on his watch. And he seemed intent on doing more than matching Kim’s outlandish rhetoric. Trump gave the appearance of being willing to use force to roll back North Korea’s nuclear and missile ambitions.

Such a violent development could have grave implications for New Zealand and its regional partners. Even an initially limited use of force by the United States designed to destroy some of North Korea’s missiles and warheads could lead to a quickly escalating armed conflict. Many expect that North Korea would respond with a barrage of artillery attacks on nearby South Korea at the very least. But if it believed that an American attack was imminent, North Korea might act first. And even if it waited for the US to initiate a conflict, North Korea might decide that it needed to use its nuclear weapons early before it loses the chance to do so.

As North Korea’s ally, China would face some very difficult choices in any of these scenarios. If Beijing did enter a growing war, this would mean New Zealand’s largest trading partner was involved in a violent conflict with the most powerful of New Zealand’s traditional security partners. In the event that Australia came good on indications that it would support the United States should war break out (Dziedzic, 2017), New Zealand would have even less scope for staying on the sidelines, militarily as well as diplomatically.

It is a statement of the glaringly obvious that New Zealand’s preference is for a negotiated settlement which avoids violence on the peninsula. Ardern’s immediate predecessor as prime minister, Bill English, observed that an especially volatile example of Trump’s rhetorical pressure on North Korea was ‘not helpful’. This sentiment was noticed internationally (Nelson, 2017). As a middle ground between proper disarmament negotiations, which have often seemed unlikely, and the use of violent force, which seems potentially catastrophic, New Zealand has supported the use of economic sanctions to place pressure on Pyongyang. That also means welcoming any sign of US–China cooperation to facilitate that sanctions pressure, including in Trump’s early interactions with China’s leader Xi Jinping.

In her first speech on foreign policy since becoming prime minister, Ardern returned to a familiar Labour theme in relation to the North Korea–US stand-off: New Zealand’s commitment to multilateral nuclear disarmament (Ardern, 2018a). This approach, she has suggested, gives Wellington a particular angle on this vexing example of nuclear proliferation. Her government can be expected to give even stronger attention to the nuclear disarmament treaty that the Key–English government supported at the United Nations General Assembly. But there is a long distance between this universalistic (and hopeful) approach and the particular kind of diplomacy Trump and Kim may have in mind if a meeting between them goes ahead.

Any such discussion is unlikely to resolve the conundrum of North Korea’s desire to retain nuclear weapons as the best chance of regime survival and international leverage. Unless Trump pulls off a miracle (even less likely it would seem than Ronald Reagan’s arms reduction progress with Gorbachev), we may be back to a more hazardous drawing board. With Trump’s Cabinet becoming more hawkish since the departure of Gary Cohn, Rex Tillerson and H.R. McMaster, possibly only defense secretary Mattis would stand in the way of a risky use of force by the United States, which would likely end several decades of interstate peace in north Asia.

**Regional prosperity**

Armed conflict on the Korean peninsula would be a severe test for US–China relations. New Zealand’s continuing hopes for regional stability have assumed significant common interests between these two great powers. This has been a plausible ... both China and the United States have supported pathways to closer regional economic integration need not produce an economically competitive environment, forcing New Zealand to make all-or-nothing choices.

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would have found it more challenging to endorse China’s Belt and Road initiative, for example, had it not been for America’s active participation in the Trans-Pacific Partnership (TPP).

This favourable equilibrium was tested by the Trump administration’s decision to withdraw the United States from the TPP process. In this new situation, Bill English’s government was happy to accept the prospect of Japan, the largest remaining economy in the group of 11, becoming the TPP’s unofficial leader. But National-led governments were unencumbered by serious doubts about the virtues of this high-profile trade agreement. This was not Ardern’s situation. Labour was unhappy with some of the TPP’s more contentious clauses, and its two political partners, New Zealand First and the Greens, held even greater reservations.

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In the final negotiations, which produced the more inclusively named CP (Comprehensive and Progressive) TPP, the Ardern government got some, but not all, of the changes it was seeking. This was a typical bargain where nobody emerged completely satisfied with the outcome. Even though the coalition has been engaging in a little bit of protectionism of its own, it was able to say that in supporting the revised agreement New Zealand remained a friend of economic openness. The risk had been averted that in her first major regional visit, to Vietnam for the APEC summit, the new prime minister would signal a significant reduction in New Zealand First and the Greens, held even greater reservations.

Yet some bigger clouds on the trade policy horizon may present New Zealand with a regional picture unknown to any of Ardern’s recent prime ministerial predecessors. Donald Trump is now threatening to impose tariffs on major trading partners with whom the United States has a deficit. Many of Washington’s security allies – Canada, many other NATO partners in Europe, Japan, the Republic of Korea and Australia – have been on the receiving end of these threats, although some of them have sought exclusions for themselves. But all along Trump’s big target was China, and as this article was being finalised the president was engaged in the early stages of what may be economic globalism. But the more that Trump tries to push China around, the more that Xi will be inclined to focus on China’s prestige as a great power which can respond in kind.

In that sort of tussle, smaller, trade-dependent countries like New Zealand will worry about the future of a trading order based on restraint around common rules and understandings. And if Mr Trump decides that Washington can live without the World Trade Organization – the central pillar of that system of rules – one of the foundations of New Zealand’s global connections will have been put at risk. It is hard to imagine a shift by Washington away from the fabric of global governance, aside from withdrawing from the United Nations itself, which could attract graver concerns from Wellington.

**Who is stepping up and stepping in?**

As the United States steps back from international economic leadership, some of New Zealand’s other leading partners have been trying to fill some of the vacuum. These include the European Union (EU) and Japan, who have agreed between themselves to a major free trade agreement. As well as the prospect of New Zealand–Japan free trade relations in a completed CPTPP, making progress towards a free trade agreement between New Zealand and Europe is part of the Ardern government’s negotiating agenda. But this will take time and it will not be easy to extract the agricultural concessions that New Zealand will be seeking. Unlike the prospects for a bilateral free trade agreement with the United Kingdom, the EU trading relationship was not mentioned in the prime minister’s big speech (Ardern, 2018a).

As America’s commitment falters and the United Kingdom is consumed by Brexit, New Zealand will welcome signs that other liberal democracies are keen to sustain an open trading order. Wellington will not want its Western partners to leave the stage to China. Many of New Zealand’s regional trading partners will remember China’s important contribution to their economic futures 20 years ago during the Asian financial crisis. They would have suffered even more from the more recent global financial crisis, which began with a meltdown in US housing securities, had it not been for the engine of growth that China’s economy has become. Like New Zealand, many Asia–Pacific countries are participating in China’s Belt and Road initiative and Asian Infrastructure Investment Bank. These are further signs of China’s growing clout.

Like its predecessors, the Ardern government will be attracted to the benefits that a growing China provides to New Zealand’s region. But the era of American indifference to its international commitments poses additional challenges for this approach. If New Zealand’s default strategy has been to say yes to initiatives from both China and the United States so as to encourage an equilibrium between
them, that strategy will now need to be revisited. There are now increased risks to New Zealand of being seen as beholden to China – and impressions count for a lot in these matters. But simply cutting back on connections with China is hardly an option. One can hardly imagine a New Zealand government that would decide, for example, not to seek an upgraded free trade agreement with Beijing.

Yet New Zealand cannot ignore the obvious signs that a more powerful China is producing complex and unsettling effects whose impact will increasingly be felt. The Communist Party of China, which now appears to have Xi Jinping as its permanent head, wants to silence alternative political voices. Its approach to freedom of expression and to the openness of the internet run contrary to the views of New Zealand and other democracies. The more that Beijing, sometimes in conjunction with Moscow, encourages other governments to celebrate non-liberal political norms, the less this will work for New Zealand’s interests and values.

New Zealand has been somewhat cautious in taking public stands against non-democratic politics, at least when this means criticising great powers on their human rights records. The new prime minister’s speech to the New Zealand Institute of International Affairs gave the impression of breaking new ground by indicating that under her government New Zealand would not hesitate to raise with China its different views on ‘human rights, pursuing our trade interests, or the security and stability of our region’ (Ardern, 2018a). But any notion that this represents a significant pushback on China is likely to be premature. There is no sign, moreover, that New Zealand is willing to join a US-led chorus identifying China as lying outside the international order.

**Upholding international rules**

This brings to mind the third main area of foreign policy challenge for the new government: how Ardern’s team will approach the promotion and protection of the systems and groups of rules of international conduct which have served New Zealand’s interests so well. This sits right in the middle of Labour’s traditional foreign policy agenda. Support for international law, negotiated settlements of international crises, a strong United Nations, and multilateral approaches to complex issues are all part of the foreign policy DNA that Ardern has inherited as the party’s (and the country’s) new leader. But the international rules, formally instituted as well as informally observed, that have worked so well for New Zealand are being challenged in multiple directions.

Many of these problems were documented by National-led governments of the Key–English era. For example, New Zealand’s 2016 Defence White Paper drew attention to Russia’s violation of the rules of sovereignty in its annexation of Crimea and intervention in Ukraine (New Zealand Government, 2016, p.32). At this time New Zealand held one of the temporary seats on the UN Security Council, where it was an enormous struggle to get great power consensus on which restraints, rules and sanctions should apply to the various parties causing humanitarian distress in Syria. And the battlefield defeat of ISIS does not mean that transnational terrorism, and the damage it does to basic rules of justice and civility, has departed from the international scene.

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Other challenges abound. The willingness and capacity of many states to accord refugees and asylum seekers their full rights under international law has been reduced as populist nationalism rises in many places, often in tandem with national security concerns. The fabric of arms control, which has helped regulate strategic relations between the United States and Russia, is under severe strain. Finding new rules for emerging areas of potential cooperation and competition is not being made any easier in this divisive climate of international opinion. That includes, of course, climate change itself – although, in withdrawing from the Paris Agreement, the Trump administration has turned the United States into a solitary dissenter rather than a leader of a strong pack of holdouts. The emerging areas also include cyber security, where very different notions of government–civil society relations and rights are competing for influence.

Interstate relations in the Asia–Pacific region seldom emphasise formal rules and deeply institutionalised processes of negotiation. One might wonder if Wellington can therefore relax in the face of arguments that the rule-making and keeping part of the international order is
Council, an American decision to use preventive force against North Korea would still be widely seen as contrary to international law.

Encouraging rules-based behaviour is also important closer to home. New Zealand’s hopes for order in the South Pacific rest in part on regional consensus at the Pacific Islands Forum. This has made Fiji’s challenge to that institution’s prominence an issue of some concern. That consensus may be an important issue if the region is soon faced with unsettling political developments in New Caledonia and Bougainville. In terms of regulating the role of powerful external actors, establishing on international relations since the Second World War. This doesn’t mean Wellington has been unable or unwilling to accommodate new sources and types of rules and institutions. Even more importantly, it does not mean that as rising powers come onto the scene they have necessarily sought to replace existing systems of rules with brand-new approaches reflecting completely contradictory interests. Some of the apparent challengers to the status quo have done very well out of the existing rules: China’s profitable embrace of economic globalisation is one such example. Another example is the liking that so many newer nation states token, the make-up of the Ardern–Peters coalition may complicate New Zealand’s ability to show solidarity with its Western partners on the challenges posed by Vladimir Putin’s Russia to the rules of international conduct (Radio New Zealand, 2018).

Regional partners?
Quite who the Ardern government’s main international partners will be is a particular challenge in Asia, where so many polities are becoming distinctly less progressive. The default answer, resorted to regularly by Wellington in the past, is to emphasise New Zealand’s engagement with the multilateral forums which have grown up around the Association of Southeast Asian Nations. But in practice these forums have had a limited purchase on the region’s most contentious and difficult issues, including maritime territorial disputes. Too many of the hard issues continue to be deflected in the search for consensus.

For some time New Zealand has needed to boost and broaden its Asia–Pacific bilateral connections in Asia (beyond its strong relationships with China and the United States).

rules of the road for the responsible distribution of overseas aid monies by the major powers (including China) in the Pacific is a continuing priority for Wellington. This was hinted at, rather than directly addressed, in Winston Peters’ speech in Sydney at the Lowy Institute for International Policy with the argument that New Zealand, Australia, the US and the EU (i.e. traditional Western donors) ‘need to better pool our energies and resources to maintain our relative influence’ (Peters, 2018).

Further south, New Zealand’s interests are bound up inextricably with the Antarctic Treaty system, whose regulatory capacity is being challenged as several large states seek greater presence and possibilities for resource exploitation. An echo can sometimes be heard of Arctic developments, where climate change is opening up new navigation possibilities before there is consensus on how the new possibilities for competition can be managed.

In many of these issue areas New Zealand is a stakeholder in systems of rules that have often reflected Western influence have for old-fashioned ideas about national sovereignty, a quintessential foundation of the system of states. And even when rising powers use the United Nations to pursue divisive objectives, they are still using a set of institutions that were part of the post-war consensus on the greater need for global governance.

This external environment poses some important questions for the values-based foreign policy that Prime Minister Ardern has been seen to emphasise (Sachdeva, 2018). On one hand, there is the question of which areas are most likely to be responsive to a degree of extra engagement by New Zealand, so that there is some effective action to go alongside the lofty rhetoric. On the other hand, there is the issue of who New Zealand’s values-based partners are likely to be on any issue. At least on security issues, the Key–English years were marked by a growing emphasis on cooperation with New Zealand’s Five Eyes partners. A Labour-led coalition government supported by the Greens would seem less likely to hold to that conservative assumption. By the same
Australia, India and the United States alongside Japan. The division of the region by regime type does not suit New Zealand’s inclinations or interests; nor does the prospect of encouraging the perception that Wellington seeks China’s containment.

Aside from these two partners, there aren’t too many other obvious choices in Asia. South Korea has moved in a more progressive direction under President Moon, but is very focused on problems on the peninsula. In April 2018, New Zealand received a rare visit from an Indonesia president. The shortage of attention given to this important event (Rabel, 2018) indicates that we should not get carried away in any expectations for growth in New Zealand’s relations with South East Asia’s largest and most important country. Elsewhere the prospects do not seem especially bright. Malaysia, Thailand and the Philippines are beset by various domestic concerns. By comparison, Vietnam is remarkably stable, and has precious insights into the art of pursuing national interests during times of increasing geopolitical competition. But, despite the recent visit of Prime Minister Nguyen, there will be limits as to how much New Zealand would rely on a partnership with a one-party state in mainland South East Asia.

Australia’s importance

All of this has one obvious conclusion. New Zealand’s reliance on its bilateral partnership and alliance with Australia, still the most important relationship in Wellington’s approach to the region and to the world, is unlikely to diminish. For the Ardern government, facilitating trans-Tasman cooperation in many areas of common interest remains the first priority for New Zealand foreign policy. This suggests that it will be necessary to ensure that policy differences between New Zealand and Australia do not get in the way of a broader desire for collaboration.

It is nothing new for Australia and New Zealand to adopt different approaches to the same foreign policy issue. If in the lead-up to last year’s general election in New Zealand, Wellington and Canberra had been taking different views on the treatment by other countries of asylum seekers and migrants, this would hardly be a significant issue for the trans-Tasman relationship. But New Zealand’s insistence that Australia agree to its offer to take some of the migrants which Australia had located on Manus Island in Papua New Guinea was too easily seen as an attempt by Wellington to influence Canberra’s domestic policy in a very sensitive area. This was compounded by concern within Malcolm Turnbull’s government that the New Zealand Labour Party and the Australian Labor Party (both still in opposition) were in some sort of collusion at a time when the Liberal–National coalition had a very delicate hold on power in the federal Parliament.

Jacinda Ardern came into office with an even stronger commitment to raise this issue than had been seen under Bill English. The passions some New Zealanders feel about Australia’s treatment of asylum seekers had been compounded by concerns that New Zealand expatriates have been treated unfairly in their access to Australian government assistance. Australia’s policies had become a larger factor within New Zealand domestic politics, and vice versa.

An early test of this problem came with Australian foreign minister Julie Bishop’s visit to meet with her trans-Tasman counterpart, Winston Peters. Bishop was on record for suggesting before New Zealand’s general election that the Turnbull government might find it hard to work with a New Zealand Labour government. But there were no obvious fireworks. Peters made possible an informal Auckland meeting between Bishop and Ardern, who would soon be in Australia to meet Turnbull and to reaffirm that Australia was ‘New Zealand’s indispensable international partner’ (Ardern, 2018b).

The South Pacific: venue for a progressive turn?

At that very time, Peters himself was speaking in Sydney extolling Australia’s role in the South Pacific as New Zealand’s preferred partner there (Peters, 2018). This is one part of the world where New Zealand knows Australia depends on its involvement. Of course, the reverse is also true, and it applies beyond the immediate region, including currently in Iraq, where New Zealand forces are working with their Australian colleagues. But the profile of Australia–New Zealand collaboration

...as students of New Zealand’s foreign policy history also know, New Zealand’s nuclear free crescendo also benefited from the existence of two major-power testers of nuclear weapons, France and the United States.
opposition in the case of climate change which can mobilise a corresponding level of resistance and energy. The problem is more diffuse. Persuading Washington to return to the climate change table, for example, is absolutely no guarantee of sufficient levels of mitigation of this global problem.

The recent history of New Zealand foreign policy also suggests that governments don’t often get to choose in advance the crises and challenges around which their most important decisions will be made. Who in the Clark government when it came into office in 1999 would have thought that within two years New Zealand would be joining an international coalition in Afghanistan following a terrorist attack on the United States? The resulting improvement in relations between Wellington and Washington was the most important Clark-era diplomatic achievement alongside the completion of New Zealand’s free trade agreement with China. We cannot tell from the state of the world in 2018 or from the make-up of the new coalition government what the Ardern era’s main foreign policy contribution will be. It may not be a single thing. And it may be hardly noticeable. But to have encouraged New Zealand’s Asia-Pacific partners to prefer peace to war, trade to protectionism, and the rule of law to the law of the jungle, even in small ways, might just be enough.

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References