

Aussies, Kiwis compete in world

Malcolm Cook
Canberra Times
26 May 2010
P. 11

Real-world diplomacy often mirrors football diplomacy. There is no better example of this than the FIFA World Cup. On Monday night, Australia and New Zealand played a football match at the MCG. At first glance, this was no watershed. Australia and New Zealand have fought many a sporting battle. This match, though, was a sign of a significant change. Rather than fighting to represent Oceania in the World Cup, the Socceroos and the All Whites are going to South Africa; New Zealand representing Oceania, Australia representing Asia.

Since birth, Australia and New Zealand have shared a compulsion to be accepted by Asia and the fear of isolation in the South Pacific. Likewise, many countries have coupled Australia and New Zealand when it comes to their perceived role in Asia. Only last year, Australia and New Zealand signed together a preferential trade agreement with ASEAN. Forty-four years ago, both became founding Asian members of the Asian Development Bank. In 1951, both signed onto the ANZUS alliance, Washington's only trilateral alliance in the Western Pacific.

Four powerful dynamics are decoupling Australia and New Zealand in Asia. Closest to home, the deep problems of the South Pacific are requiring even more resources from and collaboration between Canberra and Wellington. Australia led and was the largest contributor to the INTERFET mission in East Timor. New Zealand was the second- largest contributor. Today, both countries are leading international efforts against the coup in Fiji. Reflecting these South Pacific ties, Australia's 2009 defence white paper covers New Zealand only after discussing the alliance with the United States, the Asia-Pacific and South-East Asia and just before the South Pacific.

Second, New Zealand's ANZUS politics and its very limited force projection capabilities are shutting it out of some of the most important strategic developments in East Asia. In 2007, Australia signed a joint security declaration with Japan, bolstered by the signing last week of a defence logistics treaty at the annual 2+2 meeting between the two countries' Foreign Affairs and Defence Ministers. In 2008, Canberra signed a similar, if weaker, declaration with South Korea and, in 2009, with India. These support the annual ministerial meeting of the Trilateral Strategic Dialogue between Australia, Japan and the United States. At the operational level, Australia's decision to purchase Aegis-equipped destroyers along with Japan and South Korea will further integrate Australia into the Pentagon's regional plans. Australia is playing a new game in Asia. One that New Zealand does not have the equipment to join.

The growing importance of Asia to Australia and New Zealand's economic futures is driving diplomatic competition more than cooperation. The agreement signed with ASEAN may well be the exception here. Australia's huge natural resources reserves and its much greater economic integration with Asia should put Canberra on the front foot. Yet when it comes to Asia's only 2 billion plus people markets, Wellington is ahead. New Zealand has already signed a trade deal with China. Canberra is still mired in seemingly endless negotiations. Wellington is also further ahead on talks with India despite India being Australia's fourth largest export market while not breaking into New Zealand's top 10. When it comes to Japan, Canberra is again stuck in seemingly endless negotiations. Wellington, though, is still pleading with Tokyo to start talks.

Finally, the emerging post-Cold War global and regional order is one that, unsurprisingly, again favours the interests of major powers, largely ignores those of small powers and leaves self-described middle powers like Australia grasping for opportunities to join the major powers. The creation of the G-20 after the Asian financial crisis and its elevation to the premiere global economic body during the global financial crisis is the strongest institutional example of this. Australia is in and very keen. New Zealand, Singapore and others are clearly only looking in. If the push from some in Australia for an east Asian caucus within the G-20 bears fruit then Australia's gain globally will be transferred regionally. Echoing this decoupling

of Australia from New Zealand even more clearly when it comes to Asia and its role in the world, this year Australia is invited to the Asia Europe Meeting after more than a decade knocking on that door. Alas, New Zealand is still knocking.

Malcolm Cook is the program director East Asia at the Lowy Institute in Sydney. This piece is based on a report he wrote for the Asia New Zealand Foundation to be launched on June 1.