

## Alone, alone, all, all alone

Comments to the Wellington branch of the Institute of International Affairs

Colin James, 26 February 2013

A rather long time ago my French teacher in my modest provincial high school, a school baptised just in time for the baby-boom surge into the secondary system which I slightly predated, used to pronounce that my alleged facility with foreign languages destined me for the diplomatic service. I could never have got to her destination: I lacked a diplomatic manner; I lacked the requisite IQ; and I did not have the connections.

So instead of lying abroad for my country (a phrase with suggestive overtones), I hacked off into the underbrush of journalism, for much lower kudos and lucre. I did get an MA in languages, principally French — including a research paper on the concept of honour in seventeenth century French tragedy, a concept erased along with my youthful credulity by the French government's cynical chauvinism after the Rainbow Warrior murder — which I broadened over the next two decades into political science, economics, Maori and most of a law degree, all relevant to a dilettantish lifetime of never needing to know very much, still less acquire an expertise — that is, to a lifetime as a journalist.

So what I am about to say comes not from an understanding of the mysterious semaphore of international affairs and foreign policy but from my occasional squints at the "wide, wide sea" of international relations from my cave in Sir Peter Jackson's New Hobbitland and from my musings on how this very small, displaced nation-state — "alone, alone, all, all, alone" — might navigate these endlessly heaving waters. We have done not too badly till now, not least thanks to a foreign service which experts from other countries have repeatedly, until recently, told me has been as good as, and sometimes better than, larger foreign services, including, a number of Australians have told me, Australia's.

On this count I note Stuart McMillan's column of outrage late last year. Many of you will know Stuart as a careful, considered journalist not given to sensation or emotion. That he wrote as he did speaks loudly, to which I will add only that in my 39 years of covering politics, including the public service, I have never experienced anything remotely approaching such upset and anger among the staff of any government agency. The diplomatic deficit in the handling of the reconstruction of the ministry would have dismayed my French teacher. My fear is that the ministry's capacity to do the job an independent foreign policy requires has been damaged — though I have been modestly encouraged by glimmerings of a recovery of morale in the past few months.

Politicians' disaste for the foreign service is not new. Sir Keith Holyoake couldn't abide the pointyheads who knew more than he did. Sir Robert Muldoon didn't like pointyheads fullstop (though the mercurial Tim Groser got on OK with him, Tim says — but Tim is a consummate actor). Helen Clark out-pointyheaded mere public servants. But the contempt evident in the current cabinet's treatment of the foreign service has been egregious.

The point is that small countries, unlike large or even middle-sized countries, have zero leverage and therefore for influence must use other tools, including:

First, being a cooperative player and honest broker demonstrating through action a genuine interest in promoting peace, goodwill and compromise in a rules-based world, as New Zealand has, for example, through its disproportionate contribution to peacekeeping and peacemaking and through its support of human rights, including the right of reasonable self-determination. Last year's retreat on climate change — the quintessential candidate for global cooperation — risked some of that reputation, whatever the realpolitik of Kyoto 2's value.

Second, not taking sides between competing great powers or middling powers but always recognising the legitimate interests of those powers and arguing for balance and reason, as we have mostly done over the past quarter-century since we gave up imperial sycophancy. This government's enthusiasm for the United States has edged us back from independence but not yet divorced us from it. [I use "independence" here in contrast with alliance, not as an absolute.]

Third, taking responsibility for the wellbeing of even smaller states in its region, which New Zealand by and large does, though Oxfam would argue it leaves much to be desired.

Fourth, investing judiciously in a skilled foreign service, which New Zealand has never really done but got creditable service nevertheless.

Vangelis Vitalis, now ambassador in Brussels, has suggested we look for clues in Plataea's conduct during the Peloponnesian wars. David Skilling, expatriated to Singapore, has argued the potential small-economy states have to navigate difficult economic times better than large-economy states but finds us wanting by comparison with Singapore (though there is growing doubt about Singapore's skill in the 2010s). I would value more analysis of these two propositions.

We do not live amidst recurrent war, as Plataea did. But we also do not live in Helen Clark's "incredibly benign" world. The Arab region tells us that. The alleged "Arab spring" seemed to me from the start to somewhat resemble 1848 in Europe: after 1848 the revolutionary fires were doused or fizzled out and it was decades, in some cases many decades, before liberal democracy prevailed. I acknowledge 1848 is a tenuous parallel at best but there is little sign the Arab world has, or even individual countries have, switched from autocracy to democracy in the way we would understand democracy and which the excitable "spring" hype suggested. I think that was well summed up in a *New York Review of Books* article in November by Hussein Agha and Robert Malley<sup>1</sup>. They found ascendant but potentially unstable "Islamism" "amidst chaos and uncertainty" in which "liberal forces have a weak lineage, slim popular support and hardly any organisational weight", which "leaves an assortment of nationalists, anti-imperialists, old-fashioned leftists and Nasserites". They asked: "Was the last century an aberrant deviation from the Arab world's inherent Islamic trajectory? Is today's Islamist rebirth a fleeting, anomalous throwback to a long-outmoded past? Which is the detour, which is the natural path?"

Agha and Malley are not the last word. But few would now prophesy an imminent Arab summer of freedom, modernity and prosperity, even in trailblazing Tunisia. Syria bleeds and disintegrates — and illustrates why the "responsibility to protect" doctrine can so far be applied only speciously, as in Libya. Iraq hovers near a similar fate, Saudi Arabia shuffles uneasily and backs Bahraini oppression. Turkey is reinventing itself as less a European hopeful and more a regional would-be leading state. Egypt lurches back towards autocracy. Extreme Islamists spread evil south into sub-Saharan Africa — just when there are glimmers of a modern future there in parts.

Turn north: Iran continued fluffing its feathers in 2012 but there are flickers of a "spring" to come this or the next decade. Turn east into Wreckistan: Afghanistan, which in 2001 I thought a candidate for a "responsibility to protect" intervention, is being abandoned to either Islamic extremist oppression or failed statehood; Pakistan, complicit in Taliban atrocities and host to Bin Laden, has its own religious and cultural fractiousness and a stuttering economy; spring has not yet sprung in the Central Asian stans. Fracking in the United States and Europe

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<sup>1</sup> Hussein Agha and Robert Malley, "This is Not a Revolution", *New York Review of Books*, Vol 59, No 17, 8 November 2012.

looks set to strip Russia of its gas bonanza and with that the slimming hopes of a better politics than demonstrated in the farcical repression of Pussy Riot for blasphemy (shades of Stalin). (Actually, their real offence was crassness.)

All of those places — and Africa, a story in itself but not one of pressing interest here — are distant from New Hobbitland. By and large we have to leave them to the big boys and girls and hope the big boys and girls avert major conflict. Also distant is India, deceptively familiar but actually deeply foreign: how many of us know anything of India's history, heritage, art and culture? Trade (with cricket) is the focus but Tim Groser's grand design for a free trade agreement is making as much progress as the Doha round, which he might get to lay to rest if the job interviews go OK (if the European Union-United States free trade agreement doesn't do it). If we are to get close to India, it will be Indian migrants and their children who draw us in by keeping up their connections.

This simplistic approach, or lack of it, goes for China, too — with the important and urgent difference that China is much more proximate than India, despite not playing cricket (in all senses of that word). Migrants and investors are turning up, distantly evoking the British arrival in the 1830s that brought opportunity but also threat. Managing China's management of us is our biggest foreign policy issue for the next 10 and maybe 50 years (foreign beyond Australia, that is). I see shades of 1840, after which, *iwi* will remind you, came the 1860s. We don't try to get to grips with China's history, heritage, art and culture any more than we do with India. Official policy essentially casts the relationship, in the Prime Minister's word, as "commercial". That is not how the Chinese see it.

And how the Chinese see the world is the world's most challenging preoccupation: how it manages its economic transition as wages rise, the population ages and the pressures on its physical environment, ecosystems and water intensify; how it develops its administrative and legal systems and politics as its middle class expands and values the good life; how it manages its neighbourly relations as it recovers its sense of empire while pushing up against the established powers. We should assume China's road from here will at times be bumpy and winding, to use non-threatening terms. One outcome of the Diayou/Senkaku standoff with Japan in 2012 — and others to come as territorial claims are pursued — has been a greater reflection in the international commentary I read of the Robert Kagan thesis that draws a parallel with rising Germany's disruptive push up against the established powers in the late nineteenth/early twentieth century. The United States and Japan of 2013 are the Britain and France of 1913. The technocrats in Beijing may rationally prize peace and trade but technocrats don't always prevail and the sprawling Chinese system has many power-centres. And in the United States a debate is in full swing, post-Iraq and post-Afghanistan on whether the United States should "pull back" or "lean forward".<sup>2</sup> Too firm a "lean forward" could tip the balance in Beijing towards a Kagan scenario.

One factor in this power play is that one of China's power centres is its military's cyber capacity. Leon Panetta in June 2011 and again on 11 October 2012 conjured the spectre of a "cyber-Pearl Harbour" which immobilises the United States banking and electricity systems. On January 30 the *New York Times* reported that government-backed Chinese hackers had "persistently attacked" it, "infiltrating its computer systems and getting passwords for its reporters and other employees". The *Wall Street Journal* in early February reported similar attacks. China denied official involvement but on February 18 the *New York Times* reported on a detailed study by Mandiant, an American security firm, of individual hackers which

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<sup>2</sup> Barry R Posen: "Pull Back: The Case for a Less Activist Foreign Policy" and Stephen G Brooks, G John Ikenberry and William C Wohlforth, "Lean Forward: In Defence of American Engagement", *Foreign Affairs*, January-February 2013

traced the "overwhelming percentage of attacks on American corporations, organisations and government agencies" to a white tower on the outskirts of Shanghai which houses People's Liberation Army unit 61398.

I have no way of verifying the Mandiant report, though United States intelligence officials backed it. But from a slow start a decade or so ago when my own musing on the topic was considered akin to science fiction by experts in this town, the media reports have multiplied, particularly last year and this, and we are likely to hear a great deal more — not just state-sponsored cyberspying, cyberaggro, cyberterror and cyberwarfare but cybercrime.

This is one element of a change in the context of international relations in recent years. Another trigger is the global financial crisis which can be seen as one of history's periodic disjunctive events after which things are distinctly different and there is no return to "business as usual" (though, of course, there are many continuities). World War I was a classic example: a short war to sort out the power balance turned into a new sort of war of attrition which destroyed four empires and redrew the map of Europe, besides killing many millions. The GFC has similarly marked the boundary between one era and the next. It has released economic, political, policy and social debate from the constraints of the neoliberal era: the Friedman orthodoxy no longer holds even some of its disciples in thrall and fiscal and monetary authorities in old rich countries are behaving in such unorthodox ways that it may not be possible to revive the orthodoxy when "recovery" comes, whatever "recovery" is. One reason the orthodoxy might not recover is that in those old, rich countries the GFC has triggered a rise in populism — mystical folk-populism in the form of the Tea Party in the United States, left populism in Syriza in Greece and Five Star in Italy and right populism in the National Front in France — and elsewhere swings to left, including Green successes in Germany, and right, as in Japan. Here the Labour party is rethinking economic policy outside the 1984-2008 box. Those are not the politics of a return to the status quo ante — though we can't know yet what the status quo post will be.

And that is going on against the backdrop of the return of the Asian giants to the frame: as I have argued for a decade, after 500 years of "western" dominance of ideas — of political, social and economic organisation and science — that is, dominance by our kin, increasingly we will be challenged by, and have to accommodate to some extent, ideas from China and India and elsewhere in east Asia. One narrow example is China's promulgation of a version of state-infused capitalism as more rational than the too-little-fettered neoliberal market-economy.

Deeper down there are other major shifts in the way we deal with each other. The 2010s world is not the 2000s world — "to talk of the twenty-first century is so twenty-first century", as someone put it recently.

Some discern a new phase of globalisation they call hyperglobalisation and others see within that a "new industrial revolution". Digital technology in the form of, for example, multi-tasking robots and more sophisticated computer technology, including 3D printing, is only now being truly exploited in production of manufacturing and services after a long gestation. In a select range of activities firms in rich countries are reversing, or at least moderating, decades of "outsourcing" and "offshoring" and are "insourcing" and "inshoring" to shorten supply chains. "Cloud" and "crowd" design, funding and buying enable new mini-enterprises and give them global reach. These two developments pose some big 2020s issues for China and other rising economies. They reflect rapid changes in the speed, volume and character of digital interconnectedness, qualitatively different from a decade ago and bringing with them serious issues of privacy, not least in the very recent techniques used to mine what is known in the trade as "big data" to profile customers and win votes (viz the Barack Obama re-

election campaign).

Thus, economic and other interdependency can be said to be in a new phase. The plethora of bilateral and plurilateral free trade agreements (and not-so-free ones) can be seen as a catchup to reality rather than fashioning a new reality. The Trans-Pacific Partnership is an example: the United States quaintly, quixotically hopes the TPP will embed its intellectual property advantage (and contest China's pre-eminence in Asia). There are to be trade talks between the United States (with a re-elected President pushing trade as one point of agreement with the dysfunctional Republicans) and the European Union (working its way through an existential re-examination, which, though a fascinating topic for political analysts, I shall pass over in the interests of time). Note also the OECD's recent recalculation of trade flows incorporating into traded manufactured goods in-house and bought-in services, which substantially revalues the balances between economies. I think we in a multi-decade transition from separate, sovereign national economies to a globalised economy. There is, I think, a very loose parallel with the transition during the first industrial revolution from small local economies to national economies. But there is one very big difference: then there were national governments which could, and eventually did, set national rules; now there is no comparable global government.

That, I think, will be a growing preoccupation of international relations over the next few decades. We do have a range of international regulatory bodies, some with binding regulation-making powers, and I expect more will be established over time, ranging from top-down treaty-based regulation-making bodies with which nations must comply if they are to carry on international commerce to bottom-up "clubs" of nations for specific purposes — climate change action is a candidate, as is the sustainability of the anthropocene, a huge foreign policy topic on its own, especially when coupled with the potential international friction this decade over access to water, fuel and resources. But national sovereignty, or, rather, the persuasive illusion of national sovereignty, is not yet on the way to the retirement village.

There is another important dimension to globalisation: that of people. Within countries populations are rapidly urbanising in pursuit higher incomes. Some 300 million have extended that pursuit beyond the borders of their birthplace countries. Societies that were once ethnically homogeneous are turning polyglot, posing challenging issues of custom and tolerance and, potentially, generating new types of international tensions. The medium-term implications for international relations can only be guessed at but our strategists should, I think, be doing some educated guessing.

Talking of people brings us back to the mundane: Australia, where half a million New Zealand-born people live (equal to 11 per cent of our population). Our relationship with Australia is certainly an international relationship but it is in many ways quasi-domestic, not least in the attempt to turn CER into a single economic market, which the two Prime Ministers made clear in Queenstown this month is on a very slow boat. That makes our management of Australia and our management of Australia's management of us a prior issue, one to be dealt with before we turn to international relations proper. It doesn't help that Australians are prone to think of us as Hobbits and think underarm bowling to Hobbits is OK.

For New Zealand there is no option but to be close to Australia. We need the market and its companies own a lot of our economy. We are the closest rich democracies to the troubled societies of Melanesia, where Hillary Clinton spied a couple of years back "unbelievable

competition" between China and the United States for influence<sup>3</sup>. But knowing we have no option but to be close to Australia does not take us inexorably to Vangelis Vitalis's suggested customs union (which the Productivity Commissions ruled out in December). Nor does it take us back into Australia's lockstep United States alliance. We were never as dedicated an ANZUS ally as Australia. Our distinct strategic perspective on the world dates back to 1908 and the anti-nuclear policy has etched it into our skins since 1985. Successfully combining that separateness with the necessary closeness is one of this country's most critical policy management tasks.

Australia and the United States reacted angrily to the nuclear policy. Both have since calmed down because, after all, we are in the pretty much the same values club. But why did the United States overreact — in effect kick us into our independent foreign policy which was the opposite of what it seemed to want? The answer, I think, is in a recent article in the *Atlantic Monthly* by Benjamin Schwartz<sup>4</sup> on John F Kennedy's belligerent conduct of the Cuba missile crisis in 1962 despite intelligence briefings that the missiles didn't alter the nuclear balance and were a negligible threat to national security. Schwartz's evidence from declassified documents is that Kennedy was driven by "Washington's self-regard for its credibility", convinced that "America's foes would see Washington as pusillanimous" and that "America's friends would suddenly doubt that a country given to appeasement could be relied on to fulfil its obligations" even though those friends told Kennedy otherwise. A half-century later there are overtones in the "lean forward" argument I mentioned earlier. Halfway between Cuba and the "pull back"-"lean forward" debate Ronald Reagan and George Shultz fitted delinquent New Zealand in the Kennedy frame — which is how we came to be "all, all alone" in this heaving "wide, wide" global sea, which turned out to be a good thing, even if also requiring skill, intelligence and quick-footedness that for the moment is in question.

The Kennedys' Camelot turns out in the Schwartz account to be just an Arthurian figment after all. Another bright star of my credulous youth has crashed out of the firmament, buried alongside the figment of fiction of a French concept of honour. But, then, I have been talking about international affairs.

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<sup>3</sup> "US struggling to hold role as global leader, Clinton says", *Financial Times*, 2 March 2011: "In an appearance before Congress, Mrs Clinton highlighted the 'unbelievable' competition with China for influence over islands in the Pacific, with the development of Papua New Guinea's 'huge' energy reserves one of the key issues at stake... 'let's put aside the moral, humanitarian, do-good side of what we believe in and let's just talk straight realpolitik'."

<sup>4</sup> Benjamin Schwartz, "The Real Cuban Missile Crisis", *Atlantic Monthly* January-February 2013 p78