

5th Berlin Conference on Asian Security (BCAS)

Berlin, September 30 – October 1, 2010

A conference jointly organised by Stiftung Wissenschaft und Politik (SWP), Berlin, Federal Ministry of Defence, Berlin, and Centre for Strategic and International Studies (CSIS), Jakarta

Discussion Paper

Do Not Cite or Quote without Author's Permission.

Session IV: The Future of NATO: Cooperation and its Limits

Prof. Dr. Robert Ayson
Centre for Strategic Studies
Victoria University of Wellington
New Zealand

SWP

Ludwigkirchplatz 3-4
10719 Berlin
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org

‘The Future of NATO: Cooperation and its Limits – an Australasian Perspective’

Australia and New Zealand sit on the edge of an Asia-Pacific region whose dynamism is increasingly becoming the dominant theme in world politics. This is about more than the rise of China, as important as this development is. It is also about India’s emergence and the responses of Japan and the United States to the changing distribution of regional power. It is also about the role and responses of Asia’s medium powers such as the Republic of Korea, Vietnam and Indonesia. The changing relations between the major powers in particular, and the degree of cooperation and competition they enjoy, is also shaping the emerging multilateral architecture which has to date been centred on the ten-member Association of Southeast Asian Nations (ASEAN). This largely East Asian dynamism has global implications which are being noticed by the members of NATO (and of the European Union). It will effect the future sources of prosperity, the flow of goods, capital, and people, the patterns of energy demand and supply, and our success or otherwise in tackling climate change. It will affect the future of international values and global governance, and the international order itself which at the very least is likely to take on a more obvious multipolar character as US regional primacy eases.

New Zealand and Australia are increasingly connected economically into an increasingly integrated region. We see this reflected in the array of Free Trade Agreements (FTAs) that the two countries have fostered – from those focusing on East Asia’s core (including New Zealand’s FTA with China and the Australia-NZ FTA with ASEAN), and those which bring in wider Asia-Pacific linkages (including Australia’s FTA with the United States and the prospects for an expanded Trans-Pacific Partnership). We see this in the increasing importance of China’s economic demand for the prosperity of these two countries although this is more marked in Australia which continues to enjoy a mineral and resources boom and which has escaped the financial crisis in better shape than any other western economy. That same boom in Australia, New Zealand’s leading partner, has also helped New Zealand’s economy move into a tentative recovery, as has direct demand from China.

The two Australasian countries are also increasingly intertwined in the region’s emerging multilateral machinery. Both countries, for example, are members of the East Asian Summit (EAS) and the ASEAN Defence Ministers Meeting Plus (ADMM+) grouping which has had its first meeting in Vietnam. These two forums are expected to share the same membership: the ten ASEAN countries, China, Japan, Korea, India, Australia and New Zealand as well as Russia and the US who have recently been invited into the tent. The only NATO member of this emergent group of 18 is the United States. And while it is important to be modest about the degree of political integration these diplomatic mechanisms in the region

will produce – with so many East Asian countries hanging jealously onto their sovereign interests – they do at the very least provide important signals to who will be making the decisions in the region: this list of 18 represents something of a consolidation on that score – rather than the wider grouping found in the ASEAN Regional Forum which includes the EU. There is of course an additional European multilateral connection to the region via the ASEM process, but this particular group is not a leading priority for most Asia-Pacific countries. European involvement in the Asia-Pacific leading second track security mechanism, the Council for Security Cooperation in Asia and the Pacific, appears to have come to an end, although the United States and Canada, the two North American NATO members, remain actively involved.

The Asia-Pacific connection is also a very strong focus for Australia and New Zealand in terms of their bilateral international relations. Australia's most significant bilateral relationships are with the United States, China, Indonesia and Japan; New Zealand's are with Australia, China, the United States, and perhaps also Japan. Having been caught in a domestic trap of economic stagnation and political malaise, Japan's place in these lists is not quite as secure as it once was. New Zealand's Prime Minister John Key has commented more than once that he has travelled frequently into Asia (including regular visits to China) but rather less frequently to Europe¹ (although the last such planned visit was curtailed by a natural disaster: the recent earthquake in Christchurch).

Alongside their strong economic and diplomatic connections within the Asia-Pacific region, Australia and New Zealand's security and strategic interests have a strong regional content. This is not a trend without precedent, but it is quite clear that the changing major power balance in Asia is the number one issue in Australia's most recent Defence White Paper which was published last year². Australia's geographical position close to maritime Southeast Asia, its historical experience of regional conflict during the Second World War when Darwin was subjected to aerial attack, and its sense of itself as a power with an interest in the strategic balance, has always made it rather more sensitive to Asia-Pacific strategic changes. Even so, strategic trends in Asia including the changing relativity of regional power relations, assumed a prominent place in New Zealand's own White Paper (the first in many years) which was published in early November.³

¹ See 'Key ends trip on positive trade note', 13 July 2010, <http://www.stuff.co.nz/national/politics/3911300/Key-ends-trip-on-positive-trade-note>

² See *Defending Australia in the Asia-Pacific Century: Force 2030, Defence White Paper 2009*, Canberra: Department of Defence, 2009. For analysis, see Robert Ayson, 'Australia's Defence Policy: Medium Power, Even Bigger Ambitions?', *The Korean Journal of Defense Analysis*, 22:2 (June 2010), pp. 183-196.

³ See *Defence White Paper 2010*, Wellington: New Zealand Government, 2010.

While neither Australia nor New Zealand are in a position to shape this major power balance in Asia in a fundamental way, Australia seeks military capabilities which would allow it to raise costs for a major power should it seek to develop unwelcome interests in Australia's maritime approaches. This theme might intensify the more Australian thinkers believe that America's advantage in Asia is being eroded. The number one question for Australian foreign policymakers is how to manage an increasingly intense and valuable economic relationship with China – and the political and strategic horsepower that a growing China will bring to its regional relations - alongside Australia's traditionally very close alliance relationship with the United States.⁴ New Zealand's relationships with China and the United States have a different intensity and tone to Australia's, and Wellington may feel slightly more comfortable about its own position as looks on at Asia's strategic transformation. Yet it goes without saying that Australia's alignment, and the benefits and costs that this will bring, will also significantly influence New Zealand's comfort levels. (In its 2010 Defence White Paper New Zealand commits itself to coming to its neighbour's assistance in the event of a direct threat on Australia). Policymakers in both Australasian countries are aware that their South Pacific neighbours are themselves increasingly looking north towards East Asia as they consider their future livelihoods: the effects of East Asia's transformation are becoming rather ubiquitous.

Afghanistan – A Mutual Out of Area Commitment

For Australia and New Zealand the Asia-Pacific is not an all-consuming focus, at least not yet. In terms of their security policies, both countries have a tradition of 'out-of-area' commitments – in New Zealand's case these may be relatively more important given its lower level of sensitivity to Asia's strategic dynamics in comparison to Australia's perceptions. These deployments have extended since 2001 to the out-of-area commitments both countries have made in Afghanistan. This mission has become the main source of Australasian interaction with NATO, and likewise is NATO's main point of contact in its stronger relations with a number of Asia-Pacific countries. This Australian and New Zealand commitment – ranging from Provincial Reconstruction Teams to Special Forces and Headquarters personnel serving in Kabul with ISAF – reflects an Australasian application of the logic contained in the Experts Group report in advance of the NATO Strategic Concept: that threats (including asymmetric ones) can come from well beyond the region of primary strategic concern and may need to be dealt with

⁴ For a recently published study which has generated intense debate on this score within Australia, see Hugh White, 'Power Shift: Australia's Future Between Washington and Beijing', *Quarterly Essay* 39, 2010, pp. 1-74.

accordingly.⁵ A certain amount of ‘forward defence’ becomes logical in this environment.

This common concern about global threats was a major motivation for the international response to the 9/11 attacks including the United National Security Council resolutions which authorized the use of force in Afghanistan. But Australian and New Zealand forces are in Afghanistan today for more than this reason. In addition to the concerns they have continued to hold about international terrorism, relationships matter as well, especially with the United States. It is no exaggeration to argue that Australia has paid some of its alliance premiums with the United States through Afghanistan (as it also did in Iraq). In a symbolic but still significant gesture, Australia activated its ANZUS alliance commitment for the first time following the terrorist attacks on the United States. And New Zealand’s ongoing military commitment in Afghanistan is the leading contender for explaining the enhanced security relationship that New Zealand is now enjoying with the US, a security relationship that is stronger now than at any time since the suspension of formal ANZUS alliance relations between the two countries in the mid-1980s. This change was symbolized in late 2010 with the signing of the Wellington Declaration during Hillary Clinton’s visit to New Zealand.

This relationship factor is well recognized in broader opinion in both Australia and New Zealand, but it is viewed in bilateral terms and not generally in terms of the part Washington plays in NATO per se. It is more the sense of the United States as a global power in general and as an Asia-Pacific power more specifically. Australia and New Zealand’s respective Afghanistan commitments have also allowed them to tend to their differently calibrated relations with the United States in an extra-regional space where no major interference is likely in their East Asian relationships. By contrast a commitment to a US-led coalition effort in Asia could pose quite different issues and challenges, especially if it was a cause for some tension in US-China relations. (It may also be noteworthy that there is an evident extra-regional dimension to cooperation between NATO members and China which is mentioned by the Experts Group: international peacekeeping and anti-piracy issues off the Gulf of Aden⁶).

An enhanced connection with NATO courtesy of the Afghanistan commitment has been a further bonus for Australia and New Zealand. While relationships with particular NATO members have enjoyed special priority here (ie the ‘like-minded’ Anglo-Saxon grouping which includes the United Kingdom and Canada alongside the United States), Australia and New Zealand have had through the Afghanistan

⁵ See *NATO 2020: Assured Security; Dynamic Engagement, Analysis and Recommendations of the Group of Experts on a New Strategic Concept for Nato*, Brussels: NATO Public Diplomacy Division, 17 May 2010, pp. 8-9.

⁶ *NATO 2020*, p. 29.

experience a fairly rare opportunity to work alongside an array of NATO countries. Having put their own forces on the line (and both countries have now experienced combat fatalities) Australia and New Zealand have developed an interest in greater access to NATO's decision-making processes, although they also have an interest in ensuring that any such closer involvement does not raise expectations of an enhanced military commitment.

Afghanistan is of course not only an out-of-area commitment for Australia and New Zealand. It is also an out-of-area commitment for the NATO countries. But it is not clear how long Afghanistan will provide an opportunity for this collaboration when it is not the intent of either the NATO contributing countries (whose number is now smaller than it once was) or of Australia and New Zealand to maintain anything like an indefinite military commitment. The statements in the Expert Group Report that 'Australia in fact contributes more troops to Afghanistan than half the NATO Allies' and 'that New Zealand is also a significant contributor'⁷ is not only a point of appreciation. It is also a sign that they are part of a coalition which is not gaining rapidly in membership. All contributing countries are looking to Washington to see how much longer the Obama Administration is willing to have its forces in harm's way there. Australia and New Zealand are no exceptions to this, although both are realistic enough to be aware that Washington's plans for a drawdown beginning in 2011 may be slowed with corresponding expectations being generated for how long contributing countries might be requested to remain.

It is clear that without the Afghanistan connection, it would be difficult for NATO to speak of active (albeit informal) partnerships with a range of Asia-Pacific countries, including most prominently four democracies in which New Zealand and Australia feature alongside Korea and Japan.⁸ In this context the Experts Group Report notes that a number of the countries in the Asia-Pacific region who are working with NATO are 'not only partners of need, but also partners of values'⁹. On the surface this might seem to offer the basis for an ongoing pattern of cooperation, although there are at least two potential limitations here to take into account.

First, it is probably easier for these Asian democracies to entertain such partnerships of values in extra-regional (i.e. out of area) commitments. Within a region in which the main rising power is an autocracy, relationships based on common democratic values can run the risk of giving the impression of an attempt at containment. It was this concern which essentially killed off Japan's proposal during Taro Aso's brief premiership for an Asian quadrilateral incorporating

⁷ *NATO 2020*, p. 29.

⁸ New Zealand's PRT in Bamiyan Province has also provided an umbrella for deployments by Malaysia and Singapore.

⁹ *NATO 2020*, p. 29.

Australia, India, Japan and the United States. Similarly, America's success in becoming more engaged in East Asia's multilateralism (and hopes for wider western engagement with Asia) may depend on a determination to focus on common interests and values amongst democratic and non-democratic governments and to restrain some of the natural temptation to emphasise the not always 'common' liberal democratic values. How to do this and stay true to some of the values are embedded in important western political institutions (which Australia and New Zealand share) will be a challenge.

Second, there will probably need to be a series of mutual out-of-area commitments beyond the Afghanistan experience if these partnerships of values are to be sustained. On the one hand, this may not sound a particularly difficult condition to satisfy. It would be very surprising if in the next ten years a number of locations outside of both the Euro-Atlantic and Asia-Pacific areas did not present some of the symptoms which would invite a collaborative military commitment involving NATO and some of its informal partners from the Asia-Pacific region. But aside from the urgency than another catastrophic terrorist attack might generate, it is also quite possible that there will be little international enthusiasm to take up this invitation.

There are of course some non-military challenges which may provide minor and temporary opportunities for collaboration as occur in the field of disaster relief. But in the post-Afghanistan era, how many NATO countries and how many Asia-Pacific countries will want to make long-term commitments to complex internal conflict situations?¹⁰ Will Afghanistan spell the end of an era of optimism about our capacity to change the political conditions within other countries which began to surge in the early 1990s in response to problems in Cambodia, the Balkans, Somalia, and elsewhere? Only time will tell, but it would be unwise to assume that the appetite for future such missions will be as strong in 2015 as it was twenty and ten years ago.

For their part, Australia and New Zealand may find that their own immediate region will produce complex internal crises which they still feel obliged to respond to: the last twenty years has seen such difficulties in Bougainville, Timor Leste, Solomon Islands and Tonga, as well as ongoing difficulties in Fiji. New Zealand and Australia have made leading commitments to interventions in all of these cases except the last of these which would constitute an opposed rather than a consented intervention. Their defence planners would be wise not to rule out the prospects for future such actions, but it seems unlikely there would be any significant or obvious South Pacific role for NATO in this connection, although it should be noted that French cooperation in the South Pacific with New Zealand, Australia and the United States has developed in recent years. (The EU's

¹⁰ A similar question is posed by Stephan Frühling and Benjamin Scheer, 'Creating the Next Generation of NATO Partnerships', *The RUSI Journal*, 155:1, February/March 2010, p. 54.

prominent role as a leading provider of development assistance in the South Pacific should also be noted here). A number of NATO member countries did participate in the response to the 1999 crisis in Timor Leste, although this is often viewed as a not-easily repeatable intervention which occurred under unique circumstances facing that part of maritime Southeast Asia at the time.

NATO's Major Power Relations in Asia

Of course the big global story is further north in the East Asian heart of the Asia-Pacific region. NATO is attracted to the idea of a stronger relationship with Asia-Pacific countries for some of the very reasons which were addressed at the start of this paper: the sheer dynamism of East Asia and the resulting transformation in the distribution of power both across the Asia-Pacific and further afield. As two developed countries in that wider region who share a number of strong institutional links with the western world, Australia and New Zealand are obvious points of contact, and possibly even windows, into the Asia-Pacific.

As the two Australasian countries look out into East Asia they see little obvious sign of NATO as a regional presence, and few NATO members as individual sovereign states exert a direct influence on the regional strategic balance. The post-colonial withdrawal of European strategic power from East Asia, signified by France's military withdrawal from mainland Southeast Asia and Britain's from East of Suez, is a reality of many decades' duration. New Zealand and Australia have continued their long-standing connection with the United Kingdom through the Five Power Defence Arrangements (FPDA) which were drawn up 40 years ago for the external security of Singapore and Malaysia, and in its recent Defence White Paper New Zealand has signaled that it would be willing to consider the use of force to meet its obligations to the FPDA. However these arrangements signaled an adjustment to an era in which London would no longer seek to act as any sort of regional security guarantor, the further extension of a trend which became evident in the Pacific theatre during the Second World War.

NATO's most prominent member does of course have a very substantial forward presence in Asia which both Australia and New Zealand welcome as a stabilizing factor in calculations of regional security. Following Hillary Clinton's recent visit to Australia, there is renewed talk of United States maritime forces making greater use of Australian facilities. The United States is present in the region as an ally and partner for many Asia-Pacific countries, but not by virtue of the Euro-Atlantic multilateral alliance. By far the majority of regional countries hope that this US presence will continue, and that its alliance system will remain both intact and effective. China has itself benefitted from the stable external environment that the US connection has helped provide. But few expect to see any sort of return of European military power in Asia. And with the United States also

labouring under a debt mountain which may in the end reduce its capacity to support the global strategic role we have become accustomed to,¹¹ there is a sense of a relative decline in western power which is reminiscent of the 1960s. This may be one reason for China's growing confidence in recent months as it watches the changing correlation of forces.

Indeed one very clear reason for NATO interest in this region is the simple fact that its most powerful member, and the main security guarantor of the alliance, is seeking to reassert its longstanding strategic relevance in East Asia. It is hard to imagine that America's experience over the next few years will not have some effect on its role and value in and for NATO. If America's power is going to be equalled or perhaps even eclipsed it will not be within the confines of NATO, or more generally in the European theatre (as might once have happened in the Cold War). Instead this is most likely to occur within the Asia-Pacific. A good deal of US diplomatic effort currently is being devoted to addressing the perception that it lost a march in Asia in the post-9/11 period when it became so focused on Iraq in particular, and also Afghanistan. In a rising and more active China, the US has found a lens through which to view developments throughout the Asia-Pacific, from direct US-China relations to the South China Sea to the South Pacific. This may not be the most accurate lens in all of these cases, but it can be an effective one for the harnessing of resources.

If the United States is absorbed in strategic competition in Asia, it may have less time and energy for its Atlantic interests. Regional crises may have a similar effect: in an era where Washington may not be able to maintain the two-war standard, an outbreak of conflict on the Korean peninsula, for example, or the consequences of a unified Korean peninsula following collapse in the DPRK, could absorb the US and keep it focused away from its European obligations just as Iraq and Afghanistan have distracted it somewhat from East Asia. NATO countries may themselves face an interesting choice in a decade or more. If it is true that international security will increasingly depend on the character of the US-China relationship, (an international security which NATO's members also consume), and if this relationship demands a greater focus by a less dominant United States upon its Asia-Pacific interests, will NATO's members be prepared to encourage this direction of energy away from their own Euro-Atlantic interests? And how many extra burdens in the Euro-Atlantic area are America's NATO

¹¹ There has been a substantial debate in the region relating to this question, including a lively exchange involving Simon Tay and Tommy Koh, two leading Singaporean commentators. For analysis, see Evelyn Goh, 'What the Asian Debate U.S. Hegemony Tells Us', *Pacnet* 39a, 7 September 2010, Honolulu: Pacific Forum CSIS.

allies willing and able to take up to free the US to play that enhanced Asia-Pacific role?¹²

Moreover, if some of the security concerns closer to home for NATO's European members – such as those related to Iran, and problems in some other parts of the Middle East and in northern Africa, - are to be dealt with effectively, or even moderately well – then this may increasingly rely on the contributions made by leading Asian powers. To some extent we will all come to depend rather more on the contributions that China and India are willing and able to make to global public goods. It will be interesting to see how much attention NATO's Strategic Concept devotes to the argument that the views of countries in the Asia-Pacific, not least of all China and India, will increasingly need to be taken into consideration when formulating a response to international security issues as has taken place with counter piracy activities off the Horn of Africa. Certainly if there is to be some sort of long-term management of Afghanistan-Pakistan conundrum, then some sort of transfer of responsibility from NATO to major regional powers will be in order, as difficult politically as that may be.

For historical, geopolitical, and other reasons, NATO also has a unique opportunity to contribute to Asia's stability by virtue of its relationship with its former Cold War adversary. Russia's own profile in East Asia is not what it once was: it has tended to focus its energies on relations west to Europe and south to Central Asia, although the significant remnants of Russia's nuclear arsenal remain a factor in the East Asian strategic equation as does Russia's border with China with whom it maintains currently cordial relations including through the Shanghai Cooperation Organization. This sense of Russia's latent power in East Asia means that a stable Asia-Pacific depends to at least a modest extent on Russia's consent for the changing strategic equilibrium that is occurring in the region. NATO's success in developing a positive and mutually beneficial relationship with Moscow, which leaves Russia's sense of its place in the world reasonably intact, and which is able to withstand the difficulties that Russia's near abroad activities can sometime produce, can therefore make a positive indirect contribution to stability in the Asia-Pacific.

Conclusion

The Experts Group Report prepared to inform NATO's forthcoming Strategic Concept says at least two pertinent things about cooperation beyond the Euro-Atlantic area which might be brought to the attention of governments in the Asia-Pacific region. First, the paper suggests that the security interests of NATO's

¹² For thoughtful ruminations on this question, see Stephan Frühling and Benjamin Scheer, 'NATO's New Strategic Concept and US Commitments in the Asia-Pacific', *RUSI Journal*, 154:5, October 2009, 'pp. 101-2.

members depend upon an ability to counter threats (including asymmetric ones) which arise beyond NATO's boundaries. Second, it indicates the importance of both existing and future cooperation with a number of Asia-Pacific countries in dealing with matters of mutual interest.

But these two points do not combine to produce a judgement that NATO itself needs to be highly visible as an actor within the Asia-Pacific region. In particular, we should not expect a new NATO Strategic Concept which identifies East Asia, where global power is increasingly being concentrated, as a core or even a peripheral focus of operations for NATO. East Asia is not firmly ensconced within the understanding of what "out of area" operations mean for NATO.

NATO is likely to have partnerships with a number of Asia-Pacific countries (as it already does largely in an informal sense) but is not likely to have a visible presence itself in the Asia-Pacific. The glue for these partnerships will likely be commitments which constitute out-of-area operations for both NATO and its Asia-Pacific partners. As this paper has noted, challenges lie ahead in terms of the commitments that the participants on both sides of this relationship are going to be able and willing to make to out-of-area post-conflict situations in the coming decade and more. Whether this ability will be further moderated by the impact of recent economic difficulties upon defence spending and capabilities will be an important factor to watch.

This is not the story, then, of an increasing Euro-Atlantic presence in the Asia-Pacific including some sort of reversal of the departure of a European strategic presence which occurred many decades ago. It is the story of NATO and the Asia-Pacific meeting somewhere halfway. So long as the Afghanistan mission continues that meeting place for the time being is in Central Asia. But it is also important for NATO's members to give continuing consideration to their relationships with the major powers who will be shaping shape the Asia-Pacific strategic balance in the coming years. Any encouragement that can be given to a long-term accommodation between the United States (NATO's leading member) and an increasingly strong China would be especially welcome from an Australasian – and for the most part a wider Asia-Pacific - perspective.

Finally, if the European members of NATO desire a greater connection with a changing Asia, then they may find that NATO itself is not the most effective means of doing so. This does not mean they have a choice between NATO and their own unilateral relations with Asia's major powers, as important as the latter may be in some instances. Instead the EU offers a multilateral vehicle with some important advantages – a distinct European focus which can complement but not be overshadowed by America's Asian footprint, a strong aid delivery profile which demonstrates that Europe is needed in developing parts of the Asia-Pacific (including the South Pacific which is such a focus for New Zealand and Australia), and a record of integration which despite noises sometimes to the contrary that it is

no model for Asia, has many admirers in the region. Of course to really grab its share of regional engagement in a changing Asia, the EU would also need to get its act together in terms of a common foreign and security policy. If by doing so some slight displacement of NATO resulted, that need not be seen as a problem.