

# Strategic Analysis Paper

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## **New Delhi Looks (South)-East: India-New Zealand Relationship Evolving into Indo-Pacific Strategic Partnership**

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### **Key Points**

- India's shift towards a maritime strategy coincides with New Zealand's growing strategic interest in the Indian Ocean.
- India and New Zealand can have increasingly effective strategic co-operation. Factors such as common values, democracy and inherited heritage from the Commonwealth acting as drivers.
- Aiding the United States' increased forward presence in the Indo-Pacific region – which has curtailing China's increased assertiveness as a subtext – could provide a basis for India and New Zealand to deepen their strategic co-operation. In each country, such an initiative will still need to find consensus among its own domestic constituents.
- The situation in Afghanistan in the lead-up to 2014 will be of interest to both India and New Zealand.

### **Summary**

As India shifts its strategic orientation from being primarily a continental power to a maritime one, in a move that will help to establish its credentials as a great power in the Indo-Pacific region, New Zealand is keen to deepen relations with a fellow democracy.

New Zealand understands the growing importance of India in the Indo-Pacific – and especially in the Indian Ocean theatre – which was confirmed during New Zealand Prime

Minister John Key's June 2011 state visit to India. The three-day trip further sealed relations between two countries that are geographically separated but which are now finding their interests converging, in line with the evolving geopolitics of the Indo-Pacific region.

### Analysis

The status accorded to Prime Minister Key's visit underscores the importance of Indo-New Zealand relations, which share democratic values and a common interest in a stable political and economic architecture in the Indo-Pacific region. Traditional commentators on Indo-New Zealand relations have focussed more on the aspect of the negotiations for a Free Trade Agreement and through the prism of nuclear non-proliferation. Usually, the geopolitical aspect has been overlooked, but it will become much more important in the future.

Highlighting the expanding relationship, in a joint statement announced as a part of Mr Key's visit, New Zealand will appoint a Defence Advisor to India to better facilitate defence linkages.

Closer Indo-New Zealand defence relations are definitely a changed scenario because the relationship cooled significantly after India's May 1998 nuclear test. New Zealand's reluctance to support India's position in the Nuclear Suppliers Group on the road to the Indo-US nuclear deal reflected that cooling.

The change in relations has a lot to do with the pragmatic approach to foreign policy initiated by the John Key-led conservative National Party government. It is an approach that has been taken since it first came to power in November 2008 and that was continued in its second term after the 2011 election.

For its part, after the end of the Cold War, India shed its ideological trappings and now seeks to conduct its bilateral relations not only on shared values of democracy, but also to incorporate notions of *realpolitik* and a sound understanding of the present geo-political changes. India's previous position of non-alignment and its ambiguous stance on nuclear disarmament never sat comfortably in Wellington.

On the other hand, both India and New Zealand have understood the value of connecting with a shared Commonwealth history as a part of their foreign policy endeavours. It is no longer a secret that, with its emergence as a great power in the Indo-Pacific, India could co-lead the Commonwealth countries and even come to assume a leadership role among the English-speaking democracies.<sup>1</sup>

New Zealand, like India and Australia, has understood the changing strategic outlook in the Indo-Pacific. China's emergence as a major power was reflected in the Defence White Paper released in November 2010. Though the NZ White Paper did not explicitly state the threat posed by China, unlike the 2009 Australian version, it nevertheless called for better

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<sup>1</sup> 'Beyond Britain, Why India Should Lead the Commonwealth', *Indian Express*, 27 November 2009.

co-operation among democratic countries in the Asia-Pacific region and clearly noticed India's rise in the region.

The White Paper also called for increased strategic relations with the United States. The Wellington Declaration of November 2010 and the June 2012 Washington Declaration were both part of that increase. As the US seeks to maintain its influence in the Indo-Pacific, it has looked to countries such as India, Vietnam, Indonesia, Australia and New Zealand. The warming of US-New Zealand defence relations, which has escalated rapidly over the last few years, confirms the importance to Washington of working more closely with likeminded countries in the wider region. The September 2012 visit to New Zealand of US Defense Secretary Leon Panetta is further evidence of that.

India has never explicitly stated that it wishes to form some sort of alliance with democratic nations ranged against China. Neither does New Zealand wish to be part of some anti-Beijing alliance, particularly considering that it signed a Free Trade Agreement with China in April 2008 – the first Western country to do so. But a diplomatic initiative between two democratic countries which have shared values and common interests in the Indo-Pacific region should be explored further.

The challenge for India and New Zealand in forming an effective strategic relationship lies in finding a consensus within their domestic constituencies for greater strategic relationships with the United States in the years to come.

New Delhi has been quite reluctant to embrace a better strategic relationship with the United States too closely. Part of the problem lies in the fact that, while India's foreign policy orientation very much favours such a relationship, it is still reluctant to deepen the strategic relationship to the extent that it might include more frequent port calls by US warships or even the stationing of US troops on Indian soil. Such reluctance is understandable as, in a legacy of colonial rule, India still has a constituency which rails against the presence of any Western troops on its soil. Another part of the problem is that, since China is India's largest trading partner, New Delhi does not wish to antagonise Beijing by hosting US troops.

Within Indian strategic circles, there has recently been talk of strategic autonomy or "Non-Alignment II" as one way of keeping India out of any future US-China "Cold War". This, some think, will give New Delhi the diplomatic freedom to pursue its own ambitions.

But, at some stage, Indian policymakers will need to have a nuanced debate on an effective, flexible overall strategy. Maybe that strategy could include being patient and allowing economic co-operation with Beijing while covertly allowing the stationing of US troops in India.

In some ways, New Zealand's position is similar to that of India. Within New Zealand, there is a domestic constituency that does not favour a closer strategic relationship with the US. But with an evolving geopolitical order and Beijing's increased assertiveness in the South China Sea and greater presence in the South Pacific, New Zealand is keen to deepen its strategic relationship with the US, including closer defence co-operation.

India can learn from the New Zealand experience, in which it is understood that it is difficult, and even unrealistic, to pursue a foreign policy oriented towards the US while not having an effective strategic relationship that includes better defence co-operation.

### ***India's Quest for Permanent Membership of the UN Security Council***

The changes in Indo-New Zealand relations from the last decade of the twentieth century up to John Key's visit to India in June 2011 have a lot to do with India's quest for permanent membership of the United Nations Security Council. In the past, there was no vocal support from New Zealand for Indian membership of the UNSC. During Prime Minister Key's India trip, that changed. 'We would support India's membership in a reformed Security Council, including in any expansion of permanent membership,' he said. New Delhi would be happy if Wellington were to use its good offices to lobby for India.

Against the above background, Indo-New Zealand relations deepened. Relations should now be extended to include greater liaison between New Delhi and Wellington in regional blocs and multi-lateral organisations across the Indo-Pacific, such as the East Asia Summit, the Association of South-East Asian Nations, the ASEAN Defence Ministers' Meeting Plus, the Asia-Europe Meeting, the Pacific Islands Forum and even the South Asian Association for Regional Co-operation, in which New Zealand could become an observer, following the lead of Australia.

### ***India's Power Projection***

As part of India's power projection efforts in the Indo-Pacific, New Delhi has decided to strengthen its Eastern Fleet in Vishakhapatnam and the tri-command service in the Andaman and Nicobar Islands. In the future, South-East Asian countries such as Singapore and Malaysia will increasingly look to India, as well as the United States, for security.

This coincides with New Zealand's interests in South-East Asia's Indian Ocean littoral and its long-standing commitments under the Five Power Defence Agreement. India's increased power projection in the region could benefit New Zealand's strategic interests there, which tend to parallel those of Australia. For instance, both India and Indonesia have decided to enhance their counter-terrorism mechanisms and maritime strategic co-operation, the latter primarily with China in mind. On the other hand, the lingering differences between Indonesia and Australia over issues related to the province of West Papua could be resolved through Indian back-channel negotiations with Indonesia. That would be welcomed by Indonesia and Australia, as well as the South-East Asian countries and New Zealand.

Of additional relevance is the United States' decision to augment its base in Guam, a brainchild of the George W. Bush Administration. It was a vision of containing China in the Indo-Pacific through the United States-Japan Realignment Roadmap of 2006 which included the relocation of US personnel to Guam from Okinawa. As a part of those changes, the Guam base is expected to host an Air and Missile Defence Task Force of over 10,500 US Marines by 2017. Further options include a second Amphibious Ready Group to transport a Marine Expeditionary Unit.

Looking to Australia, the above changes represent a paradigm shift in US strategic thinking under the Obama Administration. President Nixon's 1971 "Guam Doctrine" influenced Australian strategic thinking and in a way gave Canberra the "strategic autonomy" to deal with adverse situations unless threatened by a nuclear power. The Guam Doctrine assumed more significance when the US pulled its troops out of Vietnam, which meant that every Australian Defence White Paper since 1976 has been a part of the Guam Doctrine. The case of Australia assumes significance in relation to the new Guam Doctrine as, other than India and Japan, no other country has assumed the tag of an aspiring power willing to check China's spheres of influence in the Indo-Pacific. It is precisely the reason why the US has decided to court Australia.

Both India and Australia have welcomed the changed posture of the United States, which means, logically, that New Zealand too will be in a better position to aid its traditional ally, Australia.

### ***Converging Interests in Afghanistan***

With the date for US and other International Security Assistance Force troops to pull out of Afghanistan approaching in 2014, both India and New Zealand have a shared interest in ensuring that the area remains stable and not a hot-bed of terrorism. India has only assisted Afghanistan in development projects, while New Zealand's commitment is a part of the International Security Assistance Force. At present, New Zealand Defence Force personnel make up the Provincial Reconstruction Team in Bamiyan Province, which will remain in place until the end of April 2013. Both India and New Zealand will continue to watch the situation in Afghanistan closely before and during the drawdown.

### ***In Conclusion***

India and New Zealand have a lot in common: both countries have democratic institutions based on the Westminster parliamentary system, are members of the Commonwealth and have a keen interest in an international system that supports the rule of law. From India's point of view, having a partner in New Zealand provides an effective way to further its expanding strategic interests. It very much coincides with Wellington's growing interest in the Indo-Pacific region. It should serve as a common thread for Indo-New Zealand relations in the future, although there will be challenges such as a consensus for their strategic relationships with the United States and occasional differences over the Nuclear Non-Proliferation Treaty.

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