

Smart Power or Strategic Apathy?

The New Zealand Defence Force and the Politics of Capability Building and Deployment in the Indo-Pacific

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Abstract

This article examines how the New Zealand Defence Force (NZDF) builds and deploys its capabilities in the evolving Indo-Pacific strategic environment. Geography, domestic politics, and historical moments shape defense policy and spending. The NZDF continues traditional deployments—peacekeeping, logistics, maritime security, and humanitarian operations—aiming to maintain an independent foreign policy while contributing modestly to the international order. The NZDF plays a critical role in humanitarian assistance and disaster response (HADR) in the Pacific and Southeast Asia, areas where New Zealand enjoys goodwill. However, despite improved troop quality, New Zealand’s defense spending and personnel numbers have declined, eliminating its air combat capabilities. While HADR and other nontraditional roles grow, including search, rescue, and resource protection, the NZDF shifts away from its traditional role of border defense. Coupled with reluctance to formalize alliances beyond Australia, this approach in a riskier environment seems like a dangerous gamble.

New Zealand’s national anthem, “God Defend New Zealand,” references how the country should deal with military threats: “make mountains into ramparts,” “make us then a mighty host,” and “put our enemies to flight.” This sequence—territorial defense followed by mobilizing the populace for a counterattack—now seems outdated, reflecting neither the strategic position nor the capabilities of the New Zealand Defence Force (NZDF).¹

New Zealand faces no direct military threat but has diverse security interests requiring specific capabilities. However, defense spending has plummeted to a little more than one percent of gross domestic product (GDP), roughly two-thirds less than four decades ago. The air combat capability was scrapped in 2001.² Regular

¹ Stephen Hoadley, “From Defence to Security: New Zealand’s Hard Power, Soft Power, and Smart Power,” *New Zealand International Review* 32, no. 5 (2007): 18–21, .

² M.L. Cavanaugh, “New Zealand’s Dangerous Strategic Apathy in an Uncertain Age,” *The Strategist*, 12 February 2020, <https://www.aspistrategist.org.au/>.

Force personnel numbers fell from 12,400 in 1985 to 8,946 in 2024.³ Some analysts call this a crisis, pointing to failing NZDF assets and personnel exodus.⁴

In recent discussions, some politicians and analysts have raised concerns about the decline in the NZDF's numbers and capabilities. Additionally, certain actors have proposed the abolition of the Defence Force, suggesting that its budget could be better utilized for nonviolent alternatives.⁵ However, several developments since 2022 indicate a shift in New Zealand's strategic outlook. Then-Prime Minister Jacinda Ardern attended the NATO Summit that year. In 2023, under Chris Hipkins' government, Defence Minister Andrew Little unveiled a *Defence Policy Strategy Statement*, acknowledging that New Zealand "no longer lives in a benign strategic environment." The current three-party center-right coalition appears more inclined to increase defense spending, despite facing a structural fiscal deficit and an expanded public service.⁶

Considering these seeming shifts, this article examines how the NZDF's capability-building and deployment patterns shape its overall military capacity in the evolving Indo-Pacific strategic environment. It argues that geography, domestic politics, and significant historical events have influenced policy makers' views on the military, directing defense policy and spending. With New Zealand's reluctance to formalize alliances beyond Australia, the article concludes that the country is taking a dangerous gamble in a riskier environment.

Small States and the Military

In general, small states are perceived as lacking military power. Some scholars argue that the defining characteristic of small states is their inability to provide for their security, relying on others—states, institutions, and developments—for protection.⁷ However, their small size does not mean they do not maintain military forces. This military function, along with economic and diplomatic ones, is constrained

³ "Our People, Structure, and Leadership," New Zealand Defence Force, 2024, accessed 15 September 2024, <https://www.nzdf.mil.nz/>; and Cavanaugh, "New Zealand's Dangerous Strategic Apathy."

⁴ David Fisher, "NZ Defence Force in Crisis—Our Ships Can't Sail, Planes Can't Fly and Soldiers Have Left in Doves," *New Zealand Herald*, 2024, <https://www.nzherald.co.nz/>.

⁵ Griffin Manawaroa Leonard, Joseph Llewellyn, and Richard Jackson, *Abolishing the Military: Arguments and Alternatives* (Wellington: Bridget Williams Books, 2023).

⁶ Tim Hurdle, "New Zealand Is Waking up to Threats," *The Strategist*, 23 May 2024, <https://www.aspistrategist.org.au/>.

⁷ Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), 29.

by their relatively narrow economic base, gaps in organizational capacity, and low levels of diplomatic and military capabilities.⁸

In the contemporary security environment, small budgets and rigid defense bureaucracies continue to limit small states.⁹ However, more opportunities now exist for them to employ these capabilities and gain influence.¹⁰ Small states have become adept at utilizing *smart power*—the intelligent linking and integration of hard and soft power.¹¹ Militaries have been deployed for more complex mission environments beyond conventional combat, such as contributing to regional peace and stability missions, humanitarian assistance and disaster relief (HADR), and regional diplomacy.¹² Thus, while small states may no longer be expected to credibly project their warfighting capability, there are many other exigencies under the wider umbrella of military operations that support the international rules-based order and meet small states' interests.¹³

The defense policies and strategies of states reflect their domestic and external environments. This analysis focuses on three factors: the role of geography, specific historical junctures, and domestic politics. In realist scholarship, researchers and strategists have consistently investigated the importance of geographical characteristics in their analyses of security situations and military strategies.¹⁴ Whether a state has a land and sea power nexus, strategic depth and natural defenses, and proximity to friendly and threatening great powers, matters. Colin Gray argues that geographical characteristics, along with historical experience, also contribute to a nation's strategic culture. Geography predisposes states and their military establishments toward certain ways of conducting warfare.¹⁵ Strategic culture, as a set of shared

⁸ Benjamin de Carvalho and Iver Neumann, *Small States and Status Seeking: Norway's Quest for International Standing* (New York: Routledge, 2015).

⁹ Rob De Wijk, "The Implications for Force Transformation: The Small Country Perspective," in *Transatlantic Transformations—Equipping Nato for the 21st Century*, ed. D.S. Hamilton (Washington: Center for Transatlantic Relations, 2004), 144.

¹⁰ Jan Willem Honig, "The Tyranny of Doctrine and Modern Strategy: Small (and Large) States in a Double Bind," *Journal of Strategic Studies* 39, no. 2 (2016): 261–79, <https://doi.org/>.

¹¹ Joseph S. Nye, "State Smart Power Strategies," in *Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power between the United States and China*, ed. Joseph S. Nye (Singapore: Springer Nature Singapore, 2023), 21–28.

¹² Alan Chong, "Smart Power and Military Force: An Introduction," *Journal of Strategic Studies* 38, no. 3 (2015): 233–44.

¹³ Vernon Noel Bennett, "Military Force Structures in Small States: Providing for Relevant and Credible Military Capability" (PhD dissertation, Victoria University of Wellington, 2018), 61, <https://dml.armywarcollege.edu/>.

¹⁴ Hans J. Morgenthau and Kenneth W. Thompson, *Politics among Nations: The Struggle for Power and Peace* (New York: McGraw-Hill, 1993).

¹⁵ Colin S. Gray, *Strategy and History: Essays on Theory and Practice* (New York: Routledge, 2007), 137–39.

understandings within a particular community, channels influence from historical experiences, geography, and other factors into policymaking and practice.¹⁶

Previous experiences, such as wars, become formative lessons that can be passed down to those who did not live through them.¹⁷ Past successes generally lead to policy continuity, while failures often result in policy change.¹⁸ In certain cases, previous experiences influence the choice between pursuing alliances or adopting neutrality—a policy of neutrality that maintains peace is likely to continue, while its failure pushes states toward alliances.¹⁹ Decision makers often use these experiences to rationalize their policy choices. Historical experiences can thus serve as part of the policy learning process or as a rhetorical device for advancing an agenda. In both cases, they impact the ability of decision makers to make choices.²⁰

Foreign policy decision making can be described as the process of carrying the nation's past and problems along.²¹ Together with geography, they form national strategic cultures where national conceptions of roles and identities shape what are considered appropriate actions. External shocks and “strategical dilemmas” can challenge these identities. In the latter case, established identities and values may conflict with each other.²²

Domestic politics is often cited as a reason states pursue suboptimal foreign policies. Domestic political institutions, cultures, economic structures, or leadership goals unrelated to a state's relative power help explain why states make particular foreign policy choices.²³ The role of domestic politics is also often expressed in terms of the preferences of selectorates and competing interest groups. In democratic systems, defense policy has been analyzed in terms of how lobbies operate, particularly regarding the existence of a military-industrial complex.²⁴ However, this is of

¹⁶ Håkan Edström, Dennis Gyllensporre, and Jacob Westberg, *Military Strategy of Small States: Responding to External Shocks of the 21st Century* (New York: Routledge, 2018), 25.

¹⁷ Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 2017).

¹⁸ Jack S. Levy, “Learning and Foreign Policy: Sweeping a Conceptual Minefield,” *International Organization* 48, no. 2 (Spring 1994): 279–312, <https://www.jstor.org/>.

¹⁹ Dan Reiter, “Learning, Realism, and Alliances: The Weight of the Shadow of the Past,” *World Politics* 46, no. 4 (July 1994): 490–526, <https://doi.org/>.

²⁰ Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition*, vol. 160 (Ithaca, NY: Cornell University Press, 1991).

²¹ Stanley Hoffmann, *The European Sisyphus: Essays on Europe, 1964–1994* (New York: Routledge, 2019).

²² John Lantis and Daryl Howlett, “Strategic Culture,” in *Strategy in the Contemporary World*, ed. John Baylis, James Wirtz, and Colin S Gray (Oxford: Oxford University Press, 2016).

²³ James D. Fearon, “Domestic Politics, Foreign Policy, and Theories of International Relations,” *Annual Review of Political Science* 1, no. 1 (1998): 289–313, <https://doi.org/>.

²⁴ Rebecca U. Thorpe, *The American Warfare State: The Domestic Politics of Military Spending* (Chicago: University of Chicago Press, 2020).

little relevance to small states. Conversely, the role of party ideology and military spending has been theorized, highlighting the interests of domestic political factions controlling the state and their influence on military strategy and force structure.²⁵

The NZDF Today: The Roles of Geography, History, and Domestic Politics

New Zealand, a maritime state in the South Pacific Ocean, is the 77th largest country in terms of surface area and boasts a coastline of 15,134 kilometers. With a population of 5,161,211, it ranks as the 125th most populous country globally.²⁶ Located in a remote part of the Pacific, New Zealand holds the fourth-largest exclusive economic zone (EEZ) in the world and has territorial claims in Antarctica. Additionally, it is formally responsible for the defense of Niue, Tokelau, and the Cook Islands.²⁷

Geographically isolated and without direct military threats, New Zealand enjoys significant maneuverability on a broad range of international issues.²⁸ Its security partnerships and outlook are deeply influenced by its colonial history. As a dominion and former colony, it supported the British Empire and the United Kingdom, sending forces to the Boer War and both World Wars, thus developing an expeditionary nature to its armed forces. The security relationship with Australia was formalized in 1944, followed by the signing of the Australia, New Zealand, and United States (ANZUS) Treaty in 1951, further deepening ties with the United States. The end of the ANZUS relationship in the 1980s increased New Zealand's reliance on Australia. Between the 1950s and 1980s, it stationed forces in Malaysia and Singapore, forming closer security ties with both countries.²⁹

The absence of a direct invasion threat means that the NZDF has a broad structure, but its capabilities remain modest due to limitations. The NZDF consists of 8,946 regular, 3,226 reserve, and 3,309 civilian personnel, distributed across the Royal New Zealand Navy, New Zealand Army, Royal New Zealand Air Force, and Defence Headquarters.³⁰ The Army is the largest force with 6,399 personnel.³¹

²⁵ Benjamin O. Fordham, "Domestic Politics, International Pressure, and the Allocation of American Cold War Military Spending," *Journal of Politics* 64, no. 1 (February 2002): 63–88, <https://www.jstor.org/>.

²⁶ Central Intelligence Agency, "New Zealand," *World Factbook*, 2024, <https://www.cia.gov/>.

²⁷ *Defence White Paper 2016* (Wellington: Ministry of Defence, June 2016), <https://www.defence.govt.nz/>.

²⁸ Robert Patman, "Sovereignty, Globalisation and New Zealand Foreign Policy," in *New Zealand in a Globalising World*, ed. Ralph Pettman (Wellington: Victoria University Press, 2005), 44–65.

²⁹ Robert Ayson, "Australasian Security," in *Strategy and Security in the Asia-Pacific: Global and Regional Dynamics*, ed. Robert Ayson and Desmond Ball (London: Routledge, 2020), 242–56.

³⁰ Figures cited here are as of 31 August 2024.

³¹ "Our People, Structure, and Leadership."

The NZDF's current mandate, established under the Defence Act of 1990 and operationalized in the *2016 Defence White Paper*, outlines its principal roles: defending New Zealand's sovereign territory, contributing to national resilience and security objectives, meeting alliance commitments with Australia, supporting civilian presence in Antarctica and the Southern Ocean, leading operations in the South Pacific, supporting peace and security in the Asia-Pacific region, contributing to international peace and security and the rule of law, advancing New Zealand's security partnerships, monitoring the strategic environment, and responding to sudden shifts in the strategic environment.³²

These roles are ambitious and reflect a shift from Cold War-era thinking based on force mobilization and collective security.³³ Despite significant changes in the strategic environment and defense goals, the NZDF's force structure has seen little change since the end of the Cold War. New Zealand has lost its Air Combat Wing and two of its four frigates. Much of the NZDF's doctrine and training focus on conventional operations with minimal expansion of special forces. Its expeditionary capability remains limited due to a lack of airlift and sealift capabilities.

The conservatism and continuity in the NZDF's structure are arguably driven by economic factors rather than strategic ones. The defense budget has declined in real terms, limiting the ability to test new concepts or expand the defense force. New Zealand's maritime forces, while maintaining limited blue-water combat capabilities, primarily conduct surveillance, patrol, resource and border protection, and search and rescue (SAR) operations. The Air Force, lacking air combat capabilities, assists the Navy with maritime patrols and helicopter support and conducts surveillance, reconnaissance, SAR, combat operations, and international security assistance.

The New Zealand Army can deploy in combined arms operations up to the battalion level, conduct peacekeeping operations, provide security assistance, and support civilian authorities in New Zealand. The Special Operations Forces (SOF) handle domestic counterterrorism and explosive ordnance disposal (EOD) and serve as deployable force elements in domestic and coalition tasks abroad. The NZDF is developing capabilities for independent, low-intensity operations through the Joint Task Force (JTF) concept.³⁴ The New Zealand Special Air Service (NZSAS) Regiment, modeled after the British SAS, is the premier combat unit of the NZDF, comprising six squadrons. It has been extensively deployed as part of New Zealand's

³² *Defence White Paper 2016*, 11.

³³ James Rolfe, *The Armed Forces of New Zealand*. (St. Leonards: Allen and Unwin, 1999), 18.

³⁴ Bennett, "Military Force Structures in Small States," 106–07.

international commitments since the Malayan Emergency in 1955 and has seen extended deployments in Afghanistan since 2001.³⁵

Since 1991, the overall trend in the New Zealand Defence Force (NZDF) has been a reduction in forces and continuity in policy. There has been some slight restructuring, but this has been confined to areas that did not require additional major funding, such as service roles, doctrine, and command structure. Major capital acquisitions have occurred only in the naval forces.³⁶

Currently, New Zealand has very limited force elements that it can utilize for its international commitments: four P-8A Poseidon aircraft (replacing the aging P3K2 Orion squadron), five C-130H Hercules, two ANZAC-class frigates (HMNZS *Te Kaha* and HMNZS *Te Mana*), and the NZSAS Regiment. Until recently, there have been no significant events (apart from the 2019 Christchurch mosque attacks) that have changed the threat calculus. Even then, the rise of terrorism and new security risks has not prompted major policy and institutional changes. Thus, while the NZDF appears capable of being deployed in a broad range of tasks, its size and current capabilities are limited, and its ability to sustain them is in question.

The isolation and lack of direct threats have made defense a low-salience area in New Zealand politics, resulting in low levels of funding.³⁷ Comparable social democracies in similar benign environments, such as Sweden, Norway, and Finland, spend between 1.5 to 2.0 percent of GDP on defense.³⁸ Tonga, much smaller than New Zealand, spent 1.6 percent of its GDP on defense in 2023, while Fiji spent 1.3 percent.³⁹ In 2010, New Zealand's defense spending was only around 1 percent of GDP, despite the ambitious agenda set out in the *Defence White Paper* of that year.⁴⁰ From 1960 to 2022, there has been a general decline in New Zealand's defense spending as a percentage of GDP, from 2.69 percent to 1.18 percent.

Although there has been an increase in total expenditure in 2024 (NZD 4.5 billion), it has not been enough for New Zealand to meet its defense needs. This trend reflects New Zealand's tendency to provide minimal funding for the defense

³⁵ "Peace & Security," New Zealand Defence Force, n.d., <https://www.nzdf.mil.nz/>.

³⁶ Zhivan Alach, "New Zealand's Future Defence: Force Change or Stagnation?," *Security Challenges* 2, no. 3 (October 2006): 63–76, <https://www.jstor.org/>.

³⁷ David McCraw, "Change and Continuity in Strategic Culture: The Cases of Australia and New Zealand," *Australian Journal of International Affairs* 65, no. 2 (2011): 167–84, <https://doi.org/>.

³⁸ Alach, "New Zealand's Future Defence," 74.

³⁹ Central Intelligence Agency, "Military Expenditures Comparison," *World Factbook*, 2024, <https://www.cia.gov/>.

⁴⁰ Rod Lyon, "The New Zealand Defence White Paper: A More Strategically-Extroverted Kiwi?," *Policy Analysis* 69, 11 November 2010, <https://ad-aspi.s3.ap-southeast-2.amazonaws.com/>.

force, except during periods of total war.⁴¹ Over the years, there has been little concern from the public and Parliament regarding defense spending.⁴² Since the Helen Clark government in 1999, the view that New Zealand's security encompasses more than just defense, and thus requires a balanced allocation of resources among various aspects of foreign policy, has persisted in policy circles.⁴³ Figure 1 summarizes the general decline in military spending as a percentage of GDP.

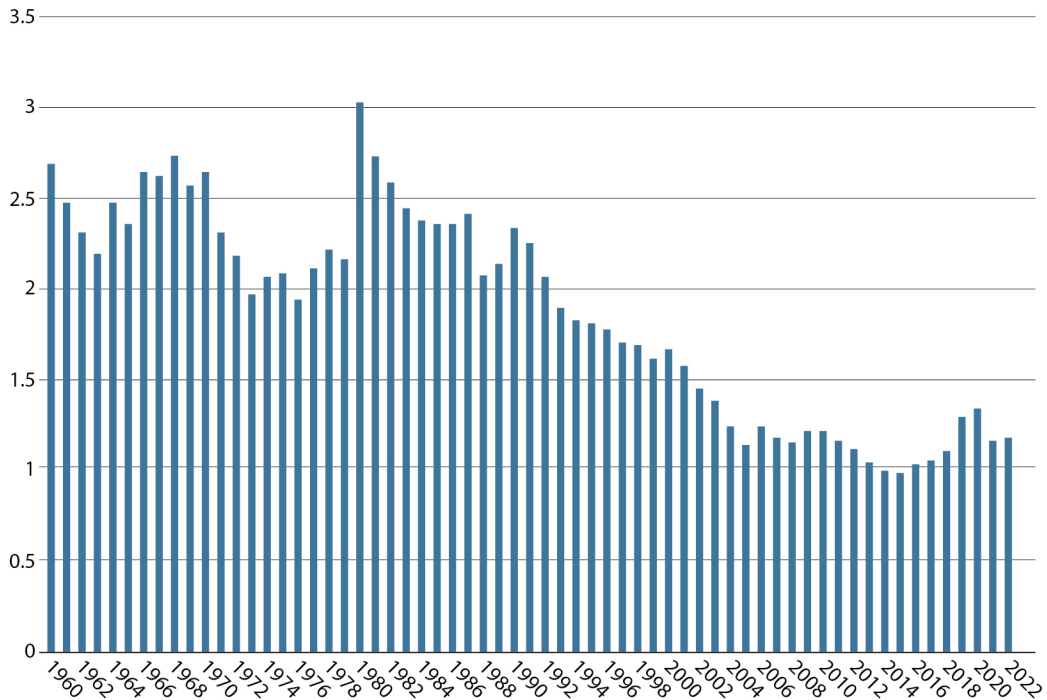


Figure 1. New Zealand defense spending as percentage of GDP, 1960–2022. (Source: Stockholm International Peace Research Institute, “Military Expenditure Database,” <https://www.sipri.org/databases/milex>.)

Defense issues do not have a significant constituency in New Zealand and are usually reserved for a small group of political elites. The public's view of defense seems to be stuck in the era of antinuclear legislation, the retrenchment of New Zealand's strategic horizons, and the end of ANZUS, which downgraded US-NZ

⁴¹ Rhys Ball, “The Strategic Utility of New Zealand Special Forces,” *Small Wars & Insurgencies* 22, no. 1 (2011): 119–41, <https://doi.org/>.

⁴² Alach, “New Zealand's Future Defence,” 70.

⁴³ Hon Derek Quigley, “The Evolution of New Zealand Defence Policy,” *Security Challenges* 2, no. 3 (October 2006): 41–61, <https://www.jstor.org/>.

relations from “allied” to “friendly.”⁴⁴ Current and immediate past governments have taken different positions on the issue.

Historically, New Zealand’s two major political parties have different stances on international relations and the role of the military. The Labour Party, described as liberal internationalist, has been antimilitarist since 1916. The National Party, with a more realist perspective, has always been concerned with national defense. Despite this, neither party can be considered significant defense spenders. Notably, during Helen Clark’s Labour government, New Zealand disbanded its air combat arm. However, a Labour-led government sent NZSAS personnel to Afghanistan, and a frigate was dispatched to the Persian Gulf in response to the September 11 attacks in the United States.⁴⁵

Among more recent coalition members, NZ First, which holds a politically conservative position, has long called for renewing relationships with traditional partners, such as Australia and the United States. It attempted to do so with coalition partner Labour in 2017. While NZ First held both the defense and foreign affairs portfolios, the New Zealand Defence Ministry in 2018 focused more on working with other nations in areas such as HADR operations, the role of women in peace and security, and the expansion of peacekeeping operations—a position supported by Labour’s other coalition partner, the Green Party.⁴⁶

The current coalition government, led by the National Party, has expressed a desire to spend more on defense and play a more significant role but faces budgetary constraints. The lack of sustained investment over the years means that much of the new funding will be spent on improving readiness and addressing the assets and equipment backlogs of the past decades.⁴⁷

The NZDF and the Changing Strategic Environment in the Indo-Pacific

The NZDF plays an outsized role in supporting the country’s foreign policy objectives, raising questions about New Zealand’s reliance on the NZDF as a “one-stop-shop” for foreign engagements. Successive New Zealand governments have articulated two main foreign policy objectives in which the NZDF plays a crucial role: supporting the Pacific Region, with an emphasis on Australia as a

⁴⁴ Lyon, “The New Zealand Defence White Paper,” 1.

⁴⁵ David McCraw, “New Zealand’s Defence Policy: The Triumph of Ideology?,” *New Zealand International Review* 31, no. 1 (January 2006): 23–27

⁴⁶ “Defence and Peacekeeping Policy,” New Zealand Green Party, 2018, <https://www.greens.org.nz/>.

⁴⁷ Lucy Craymer and Lewis Jackson, “New Zealand Proposes 6.6% Smaller Defence Budget Amid Personnel and Equipment Woes,” *Reuters*, 22 May 2024, <https://www.reuters.com/>.

partner, and being a good international citizen through international organizations and multinational operations.

The NZDF typically engages in offshore activities such as HADR, SAR, defense and diplomacy exercises, support to Antarctica, Building Partner Capacity (BPC), surveillance and interception, counterpiracy, and involvement in UN peacekeeping operations.⁴⁸ The New Zealand Ministry of Foreign Affairs and Trade (MFAT) considers the NZDF key in its exercise of defense diplomacy. This includes visits, exchanges, and deliberations on military matters as well as nonconventional and “soft” threats.⁴⁹

Defense diplomacy has become a more frequently used soft power tool, especially with the growth of China’s influence in the region and rising regional tensions, which have led to more assertive militaries in the Pacific. Within the Pacific, New Zealand’s defense diplomacy efforts have been notably effective, with NZDF personnel viewed as friendly, trustworthy, and well-respected. New Zealand’s long-term engagement with the Pacific Islands and its ability to understand the priorities of Pacific peoples have given it an important edge, with Pacific Island Countries (PIC) recognizing the quality and achievements of New Zealand’s efforts.⁵⁰

The NZDF’s involvement in peacekeeping operations dates back to 1951, when its officers served as unarmed observers in the India-Pakistan conflict over Kashmir. Since then, New Zealand has participated in 40 peace operations in more than 25 countries over the past seven decades, either under UN auspices or as part of coalitions.⁵¹ The New Zealand government uses the term *peace support operations* to describe this involvement, encompassing a broad range of activities beyond UN peacekeeping operations, including peace enforcement and other forms of military deployment.⁵²

In Afghanistan, for instance, the NZSAS was extensively involved in Special Forces operations, provincial reconstruction activities, and the training of local forces.⁵³ The NZDF’s deployments represent an effective way of deploying smart power—leveraging its limited resources to fulfill international commitments while meeting broad security goals.

⁴⁸ B. K. Greener, “The New Zealand Defence Force Role in New Zealand Foreign Policy,” in *Small States and the Changing Global Order: New Zealand Faces the Future*, ed. Anne-Marie Brady (Cham: Springer, 2019), 43–52.

⁴⁹ Hoadley, “From Defence to Security,” 19.

⁵⁰ Kendra L. Roddis and Alexander C. Tan, “Defence Diplomacy: Battling for the Heart of the Pacific,” *Outre-Terre*, no. 58–59 (2020): 327–48, <http://dx.doi.org/>.

⁵¹ “Peace Support Operations,” New Zealand Ministry of Foreign Affairs Trade, 2021, <https://www.mfat.govt.nz/>.

⁵² “Peacekeeping,” *Te Ara—the Encyclopedia of New Zealand*, 2015, <https://teara.govt.nz/>.

⁵³ “Peace & Security.”

The strategic rivalry between the United States and China, along with China's growing assertiveness in the region, looms large for New Zealand. China remains the largest market for New Zealand exports. Since 2006, the People's Republic of China's (PRC) presence in the Pacific has expanded dramatically. In November 2018, Xi Jinping attended the Asia-Pacific Economic Cooperation (APEC) Summit in Port Moresby and met with all Pacific leaders with whom the PRC had diplomatic relations.⁵⁴ Prior to this, Xi labeled the South Pacific as the "southern leg" of the Maritime Silk Road, which eventually transformed into the Belt and Road Initiative (BRI).⁵⁵ The PRC's extended Maritime Silk Road map issued in 2015 included parts of the South Pacific. In the last 20 years, China has become a key aid, investment, and trade partner for most states in the Pacific.⁵⁶

New Zealand's response to China's increasing presence in the Pacific, despite initial silence and eventual denial, was the Pacific Reset policy. This policy includes an allocation of NZ\$714.2 million to New Zealand's Official Development Assistance (ODA) Fund and the establishment of 14 new diplomatic posts in the region.⁵⁷ Despite some recent setbacks, the NZ–China relationship continues to flourish, even as New Zealand deepens its security relationship with the United States. According to one analysis, part of the reason China does not seem troubled by this is the general weakness of New Zealand's armed forces.⁵⁸ Nonetheless, New Zealand has taken a cautious approach, maintaining freedom of navigation and open trade routes.⁵⁹

The end of the ANZUS alliance has made New Zealand less willing to openly take sides in any contest between great powers, marking the hallmark of its "independent foreign policy." This position has several facets. It is first anchored on the continued commitment to a rules-based international order, allowing New Zealand to be a liberal free-trading nation. Second, it has been articulated in terms of New

⁵⁴ "China, Pacific Island Countries Lift Ties to Comprehensive Strategic Partnership," *Xinhua*, 17 November 2018, <http://www.xinhuanet.com/>.

⁵⁵ Derek Grossman, *Chinese Strategy in the Freely Associated States and American Territories in the Pacific: Implications for the United States* (Santa Monica, CA: RAND, 2023), <https://www.rand.org/>.

⁵⁶ Anthony Bergin, David Brewster, and Aakriti Bachhawat, "Pacific Island Countries," in *Ocean Horizons: Strengthening Maritime Security in Indo-Pacific Island States* (Canberra: Australian Strategic Policy Institute, 2019), 17–28, <http://www.jstor.org/>.

⁵⁷ Iati Iati, "China's Impact on New Zealand Foreign Policy in the Pacific: The Pacific Reset," in *The China Alternative: Changing Regional Order in the Pacific Islands*, ed. Graeme Smith and Terence Wesley-Smith (Canberra: ANU Press, 2021), 143–66.

⁵⁸ Robert G. Sutter et al., *Balancing Acts: The Us Rebalance and Asia-Pacific Stability* (Washington: Sigur Center for Asian Studies, 2013).

⁵⁹ Steven Paget, "Water under the Bridge?: The Revival of New Zealand–United States Maritime Cooperation," *Naval War College Review* 74, no. 3 (2021): 41–64, <https://digital-commons.usnwc.edu/>.

Zealand's nuclear-free stance. Third, this same independence has been invoked to justify New Zealand's deepening ties with Australia, Canada, and the United Kingdom, while mending ties with the United States. Lastly, New Zealand sees itself as an honest player among Pacific Island states, assisting them in a variety of pressing regional issues.⁶⁰

This independent foreign policy position justifies why New Zealand has not sought alliances beyond Australia and its apparent reluctance in the Five Eyes alliance. For decades, New Zealand has enjoyed a position where it can afford a small military and rely on its economy to be independent in a system governed by rules. However, recent events have challenged the rules-based order that New Zealand has depended on, and the use of force as a means of pursuing foreign policy has become a primary choice for some states. How long can New Zealand play this gamble while appearing to go it alone?

Beyond the question of New Zealand's independent foreign policy are real concerns about its military capabilities and the continuing impact of its unique geographical situation. Several cases illustrate this. First, in 2019, New Zealand was asked to supplement British patrols in the Strait of Hormuz. Then-Minister of Defence Ron Mark declared that New Zealand could not send any forces as they were still in Canada for upgrades, and it could barely keep two of its P3 Orions flying. This highlighted the issue of capability for sustained operations beyond its shores.⁶¹

The view that the NZDF is a one-stop-shop for fulfilling some of New Zealand's foreign policy objectives makes this situation particularly dire if the burden is not shared with other New Zealand government agencies, especially considering the total reduction in personnel by around 30 percent in 2023.⁶²

Second, New Zealand's maritime domain is 20 times its land area. However, it does not yet have a coherent national plan or the capacity to comprehensively monitor this domain.⁶³ This is particularly important for New Zealand, especially given increased operations by China's Distant Water Fleets (DWF) in the Pacific.⁶⁴ These areas are productive for squid fishing, trawling, and long-lining. PRC fishing

⁶⁰ Guy C. Charlton and Xiang Gao, "Re-Thinking New Zealand's Independent Foreign Policy," *The Diplomat*, 14 June 2024, <https://thediplomat.com/>.

⁶¹ Boris Jancic, "New Zealand Has No Boats to Send to Strait of Hormuz: Defence Minister Ron Mark," *New Zealand Herald*, 20 August 2019, <https://www.nzherald.co.nz/>.

⁶² "New Zealand Defence Force Tells New Minister of High Attrition, Staff Shortages," *Radio New Zealand*, 1 February 2024, <https://www.rnz.co.nz/>.

⁶³ Joanne O'Callaghan et al., "Developing an Integrated Ocean Observing System for New Zealand," *Frontiers in Marine Science* 6 (March 2019), <https://doi.org/>.

⁶⁴ According to the index by the Global Initiative Against Transnational Organized Crime, the PRC is the worst IUUF offender. Of the 152 states in the IUUF Index, PRC is rated as the worst flag state, the second-worst port state, and the worst state overall.

vessels have been accused of turning off their automatic identification system (AIS) and fishing in other nations' EEZs without consent.⁶⁵ Additionally, there is an indication that China intends to use these vessels as fishing militias, as it has done in Northeast and Southeast Asia.

In 2024, the PRC registered 26 China Coast Guard (CCG) vessels to operate in areas under the Western and Central Pacific Fisheries Commission Convention Area. New Zealand has the fourth-largest EEZ in the world (at 4.2 million square kilometers) and the ninth-longest coastline (at more than 15,000 kilometers). The South Pacific is vulnerable to illegal, unregulated, and unreported fishing (IUUF) by DWFs and the use of PRC's fishing militia. The significant gap in New Zealand's naval assets means it is unable to monitor this area effectively, allowing a range of threats—from gray-zone tactics and drug smuggling (the zone is considered a drug-trafficking highway) to human trafficking—to continue unabated.

Third, given New Zealand's relatively small size and limited military capability, cooperation with Australia is essential during moments of regional instability, such as the Bougainville crisis in 1997. New Zealand's defense policy and spending have largely been seen as free-riding on the efforts of larger states—initially the United Kingdom and the United States during the Cold War, and later on Australia's efforts after the relationship with the United States was downgraded. Within the range of small-state strategies, New Zealand can be viewed as *shelter-seeking*, where small states seek political, economic, and social shelter from larger states and international organizations during crises.⁶⁶ This approach has allowed New Zealand to do only as much as its unique interests require and as much as its larger partners will permit.⁶⁷

However, the *2023 Defence Policy Strategy Statement* indicates a recognition that New Zealand no longer exists in a benign strategic environment and that the NZDF cannot adequately respond to increasing security threats or defend New Zealand's territory and interests, as well as those of neighboring PICs.⁶⁸ The PRC's actions in the Solomon Islands and other PICs could create competing regional security architectures that New Zealand is currently unprepared to address.⁶⁹

⁶⁵ Joseph Hammond, "Chinese Fishing Fleet Poses Threat to Pacific Island Economies," *Indo-Pacific Defense Forum*, 21 June 2021, <https://ipdefenseforum.com/>.

⁶⁶ Anne-Marie Brady and Baldur Thorhallsson, "Small States and the Turning Point in Global Politics," in *Small States and the New Security Environment*, ed. Anne-Marie Brady and Baldur Thorhallsson (Cham: Springer International Publishing, 2021), 5.

⁶⁷ Mark Thomson, "New Zealand Defence Economics," in *The Cost of Defence ASPI Defence Budget Brief 2017–18* (Canberra: Australian Strategic Policy Institute, 2017), 263–78, <http://www.jstor.com/>.

⁶⁸ *Defence Policy and Strategy and Statement* (Wellington: Ministry of Defence, 2023), <https://www.defence.govt.nz/>.

⁶⁹ Craig McCulloch and Russell Palmer, "Changing Global Tensions Prompt New Zealand to Ramp up Security and Defence Resources," *Radio New Zealand*, 3 August 2023, <https://www.rnz.co.nz/>.

Three policy documents released in 2023 seem to indicate a shift in direction: the *2023 Defence Policy and Strategy Statement*, the *Future Force Design Principles*, and New Zealand's inaugural *National Security Strategy*. These documents recognize that New Zealand is facing a more challenging strategic environment than it has for decades. New Zealand's 2023 *Future Force Design Principles* acknowledge that the NZDF will need to deploy more often and in more diverse situations due to the changing strategic environment, necessitating more government investment in the short, medium, and long term.⁷⁰

New Zealand first needs to invest in its naval assets. Despite having one of the largest maritime domains, New Zealand currently has one of the smallest navies in the world, consisting of nine vessels—frigates, patrol vessels, and logistical support vessels.⁷¹ In contrast, Singapore, with one of the smallest EEZs and shortest coastlines in the world, has 40 warships.⁷² As the discussion above highlights, the NZDF's weaknesses in the maritime domain are glaring and need to be addressed immediately.

Second, in addition to increased funding, New Zealand needs to continue leveraging the NZDF's ability to be interoperable with like-minded militaries and allies. Accessing advanced technologies under Australia–United Kingdom–United States (AUKUS) Pillar Two will be critical to ensuring that the NZDF does not fall further into technical obsolescence and maintains access to cutting-edge technology in a fast-changing strategic and technological environment.⁷³

The current framing of New Zealand potentially joining AUKUS' Pillar Two component reveals much about how foreign policy and academic circles discuss security for New Zealand, which may impact whether the NZDF will receive much-needed funding support. The pro-AUKUS camp sees its utility given China's growing assertiveness and New Zealand's vulnerability due to its lack of technological capabilities in the event of an actual conflict. Conversely, the anti-AUKUS camp views AUKUS as antithetical to New Zealand's independent foreign policy and antinuclear stance.

A third perspective argues that these initial positions miss an important point: New Zealand's role as a champion of the Blue Pacific narrative.⁷⁴ This view suggests

⁷⁰ *Future Force Design Principles* (Wellington Ministry of Defence, 2023), <https://www.beehive.govt.nz/>.

⁷¹ A survey ship, HMNZS *Manawanui*, sank on 05 October 2024 off the coast of Samoa.

⁷² Alexander C. Tan and Neel Vanvari, "Protecting Our 'Taonga': How New Zealand Can Contribute to Regional Stability," *The Diplomat*, 26 July 2023, <https://thediplomat.com/>.

⁷³ Reuben Steff, "The Strategic Case for New Zealand to Join AUKUS Pillar 2," *Australian Journal of International Affairs*, 2024, 1–9, <https://doi.org/>.

⁷⁴ Nicholas Ross Smith and Lauren Bland, "The Aukus Debate in New Zealand Misses the Big Picture," *Australian Journal of International Affairs* (2024): 1–8, <https://doi.org/>.

that joining AUKUS would undermine support for Pacific priorities, framing the choice for New Zealand as one between the Pacific and the Anglosphere.⁷⁵

Conclusion

This article argues that the NZDF's capacity in the evolving strategic environment in the Indo-Pacific has been severely hampered by years of underspending and policy conservatism. Since 1991, the trend has been a reduction of forces and continuity in policy, while restructuring has been modest. Geography, domestic politics, and specific historical junctures have shaped policymakers' views on the military and consequently, the direction of defense policy and spending.

Despite this, the NZDF plays an outsized role in supporting New Zealand's foreign policy objectives. However, this comes at the cost of its ability to contribute more to traditional security commitments and to monitor and secure the maritime domain, raising questions about its independent foreign policy. Small states like New Zealand have always been hampered by their lack of military power. Nevertheless, New Zealand has the opportunity and a compelling reason for the public to consent to increased defense spending.

On paper, New Zealand's security interests are broad and encompass a wide array of traditional and nontraditional concerns. To meet these goals, a well-equipped, highly trained, and sufficiently staffed NZDF is essential. The evolving security environment in the Indo-Pacific demands that New Zealand back its commitments with appropriate funding. ✪

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⁷⁵ Marco de Jong, "Losing the Pacific to the Anglosphere: Aukus and New Zealand's Regional Engagement," *Australian Journal of International Affairs* (2024): 1–8, <https://doi.org/>.