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국제학 석사 학위논문

Divergence in Foreign Policy:

**A Comparative Study of Australia
and New Zealand's China Policies**

외교정책 결정요인:

호주와 뉴질랜드의 대중국 정책 비교연구

2023년 2월

서울대학교 국제대학원

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Master's Thesis of International Studies

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Abstract

The strategic competition between the United States and China has rendered successful foreign policy more difficult not only for the U.S. and China, but also for countries that maintain important relations with both sides. The rapidly changing political and economic landscapes have demanded that countries adapt swiftly by making the best available policy choice.

In this regard, a country's foreign policy is the result of a complex decision-making process that encompasses a wide range of factors. Various factors originating from within and outside a country influence its calculations in how to best pursue its national interests. Hence, a country's foreign policy is best understood by analyzing what factors motivate a certain foreign policy choice.

As such, Australia and New Zealand present an interesting case for foreign policy analysis as they share similar political, geographical, and cultural features, but have adopted starkly different policies toward China. Both states are located 'down under' in Oceania with rich endowments of natural resources. They are both liberal democracies with parliamentary systems and members of the British Commonwealth. While being key security partners of the U.S. in the Five Eyes intelligence alliance, they also maintain important economic relations with China. However, while Australia has sided plainly with the U.S. against China through the AUKUS security pact and confronted China economically and politically, New Zealand has upgraded its FTA with China while not joining collective efforts at containing China.

Thus, this paper aims to discern the reasons for such divergence in Australia and New Zealand's policies toward China despite their striking similarities. To do so, it utilizes the framework of James Rosenau's Pre-theory to analyze the individual, role, governmental, systemic, and societal variables that have influenced the decision-making process of both countries. This would further the understanding of foreign policy determinants amid the intensifying U.S.-China competition.

Keywords: Foreign Policy, Middle Power Diplomacy, U.S.-China Competition, Pre-theory, Australia, New Zealand, AUKUS

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Chapter I. Introduction

1. Initial Observations

Like all relations, a country's foreign policy is a compound of diverse factors and distinct motives. How a country manages its relations with other countries may be influenced by an individual leader's ideology as was in Wilson's America or Hitler's Germany. However, even in Wilson's America or Hitler's Germany where the leader's ideology played a leading role in producing particular policy choices, other factors such as domestic politics and history also had substantial influence on the countries' foreign policies. Meanwhile, others point to geography as a central determinant of a nation's foreign policy with Russia's endless aspirations for an ice-free port as a classic example whereas realist scholars of international relations see international politics as a "struggle for power."¹ As such, while one factor may carry a greater weight than others, it would be futile in attempting to identify a single independent determinant of a country's foreign policy.

Given such complexity of underlying factors, Chuck Hagel saw foreign policy as "never a good easy clean choice."² Hence, examining how the interplay of certain factors and motives lead to a country's specific foreign policy choice will further one's understanding of why and how a country chooses to pursue a particular foreign policy while others choose to go on a different path of foreign policy.

In this regard, the onset and escalation of the U.S.-China strategic

¹ Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace*, 2nd ed. (New York: Alfred A. Knopf, 1954), 25.

² "A Conversation with Chuck Hagel," Council on Foreign Relations (Council on Foreign Relations, November 28, 2007), <https://www.cfr.org/event/conversation-chuck-hagel>.

competition have altered existing foreign policies and brought forth new diplomatic strategies not only in the United States and China, but also in countries that have close relations with both sides. With growing pressure to support one over the other in an increasing zero-sum competition, the ensuing great power competition has made it difficult for countries to manage their foreign relations without being entangled in conflicts between the U.S. and China. This has resulted in countries adjusting their foreign policy differently according to the weighted importance of their interests in their attempts to engage the U.S. and China without alienating one or the other.

Australia and New Zealand provide one such example of discrepancy in foreign policy in the context of the U.S.-China strategic competition. The two countries are both key security partners of the U.S. in the Five Eyes intelligence alliance while they both have China as their largest trading partner. As such, the growing intensity and expansion of the competition between the United States and China demand that both Australia and New Zealand achieve a calculated balance between security relations with the U.S. and economic ties with China. Therefore, the dynamics and the development of the U.S.-China competition is critically important in how the two countries draw up their foreign policy strategy.

But after considering the similarities between the two countries and reviewing the striking differences in Australia and New Zealand's policies towards China from 2018 and onwards, one is led to wonder about the determining factors that may have caused the discrepancy in their China policies. The two countries are alike in a remarkably wide range of aspects encompassing their history, geography, culture, political system, and economic structure. They also share similar foreign policy notions as reflected in their diplomatic orientations towards the Asia-Pacific

especially with the Pacific island states and their strong trans-Tasman relations as well as the aforementioned security and economic relations with the U.S. and China.

However, despite the plurality of common factors that would seem to affect the foreign policy of the two countries in similar ways, the recent China policies of Australia and New Zealand are nothing like each other. Tensions in Australia-China relations began to build up in 2018 when Australia banned Huawei and ZTE from its 5G network. The downward trend in the relations accelerated into outright conflict when Australia broke its balance between the U.S. and China in 2020 by choosing to directly confront China despite severe economic retaliations and serious diplomatic disputes. New Zealand, on the other hand, maintained amicable relations with China and suggested to look for areas of future cooperation with China by opting out from joint statements that condemned China and upgrading its free trade agreement with China.

In viewing such contrasting foreign policies between two very alike countries, one may argue that New Zealand's nuanced approach to China can be understood as an attempt to keep its economic benefits from trading with China. Such argument carries persuasiveness when considering the significant proportion of trade with China in New Zealand's economy. However, the same logic does not apply to Australia who, despite having significant trading ties with China, is nonetheless confronting China with hardline policies.

2. Research Question and Significance

The stark disparity between Australia and New Zealand's China policies despite their striking political, social, and economic similarities and the close trans-Tasman relations provides an intriguing case study in examining different

determinants of a country's foreign policy. Accordingly, it is the purpose of this research to answer the question of what may have accounted for the divergence of Australia and New Zealand's China policies notwithstanding their numerous similarities. By identifying the decisive factor or factors in the formulation of Australia and New Zealand's China policies, it aims to deepen and contribute to the understanding of foreign policy determinants and formulation.

In analyzing and explaining the sources of the discrepancy between Australia and New Zealand's China policies, the research hopes to offer insights especially into understanding foreign policy strategies of non-great powers caught in the context of the U.S.-China competition. It is also expected that such evaluative study will provide policy implications for countries in like circumstances such as South Korea whose geopolitical position also dictates that it realizes a strategic balance between alliance with the U.S. and economic relations with China and who has already experienced backlashes in its China relations from the deployment of the THAAD system.

Given that U.S.-China strategic competition and Australia and New Zealand's diplomatic efforts are relatively recent and still ongoing, not many studies have sought to address the research question of this paper. Hence, as one of initial studies on the subject, the paper seeks to serve as a point of reference for future research following new developments in regional and international relations in the times to come.

The paper is structured as follows. Chapter II forms the literature review in two parts. The first part of the chapter examines past literature on foreign policy analysis including theories of foreign policy, categorizations of foreign policy determinants and levels of analysis to define the necessary concepts and narrow

down the scope of the research by identifying which factors the paper should focus on and determine the analytical framework of the research. The second part of the chapter focuses on the studies of past China policies of Australia and New Zealand. Doing so will allow the research to identify past conclusions on the motives of policy decisions in Australia and New Zealand vis-à-vis China. Furthermore, by identifying the trend of academic research on the China policies of Australia and New Zealand, the chapter seeks out gaps in past research to be addressed by this paper. The Chapter also introduces the analytical framework to be applied in the research.

Chapter III outlines the background of the research by examining in detail the country characteristics and foreign policy orientations of Australian and New Zealand. Chapter IV goes on to outline Australia and New Zealand's past relations with China since the establishment of formal relations to identify differences in previous policies and form the starting ground for comparative research. Chapter V compares the current China policies with any differences found in past policies and analyzes the current policies on individual, role, societal, governmental, and systemic levels. The paper concludes with a note on implications for comparable small and middle powers and suggestions for future research.

Chapter II. Literature Review and Analytical Framework

1. On Foreign Policy Analysis

Prior to conducting a comparative analysis on the China policies of Australia and New Zealand, it is necessary to examine the existing literature on foreign policy analysis to determine the method and scope of the research. As such, the following sections review different theories of foreign policy, foreign policy analysis, and categorizations of foreign policy determinants.

1.1 Determinants of Foreign Policy

As the basic instrument of state interaction, foreign policy is a core pillar of international relations. Hence, knowledge of the decision-making process and determinants of foreign policy is essential to understanding state behavior in international relations. Given the vast array of elements forming and affecting the decision-making process and outcome, defining the concept of foreign policy requires that one look at definitions given by different scholars to understand the complexity of foreign policy.

To begin with, Rosenau stated that foreign policy is organized decision-making by officials authorized by their countries with the intention of maintaining or changing the state of international affairs to achieve objectives set by the officials.³ Benko's definition outlined foreign policy as "a process and a system of activities

³Austin Ranney, *Political Science and Public Policy* (Chicago: Markham Publ. Co, 1968), 222.

performed by a state-organized community of people within the international arena” which aims to influence the international arena to the advantage of its interests.⁴ To this, Smith, Hadfield and Dunne added that it is the strategy adopted by the national government to achieve its objectives in its external relations.⁵

These definitions all share three common aspects of foreign policy. Firstly, the principal agent of foreign policy is the state or its bureaucrats with the state’s authorization. Secondly, foreign policy is a state’s interaction with other states and entities in the international arena. Lastly, the main goal of foreign policy is to manage international affairs and its external relations to benefit the pursuit of national interests.

In this context, national interest would cover all elements required for a country’s survival, independence, and prosperity such as security, territorial integrity, stability of the political regime, cultural identity, and system of values.⁶ Such interests may also include the well-being of its citizens at home and abroad and even the pursuit of global sentiments such as human rights.⁷ In all, foreign policy can be summed up as a collection of a country’s strategic policies intended to preserve national interests and achieve its intended objectives in international relations.

As many goals it is intended to achieve, foreign policy is also determined by equally many factors. Although these factors all affect foreign policy in different manners, there is a general agreement among scholars that the determining factors

⁴ Vladimir Benko, *Znanost o Mednarodnih Odnosih* (Ljubljana, 1997), 227.

⁵ Steve Smith, Amelia Hadfield, and Timothy Dunne, eds., *Foreign Policy: Theories, Actors, Cases* (Oxford: Oxford University Press, 2008), 12.

⁶ Ernest Petrič, *Foreign Policy: From Conception to Diplomatic Practice* (Boston: Martinus Nijhoff Publishers, 2013), 105.

⁷ Nabin Kumar Khara, “Determinants of Foreign Policy: A Global Perspective,” *International Journal of Research and Analytical Reviews* 5, no. 3 (September 2018): pp. 105-115, 108-109.

of foreign policy originate from both within and outside a country. As such, Hill called foreign policy the “hinge between domestic politics and international relations” while Rosenau also differentiated ‘external’ and ‘internal’ factors of foreign policy based on each factor’s level of border transcendence.⁸ Such distinction was again made by Petrič whose categorization divided the factors into ‘exogenous’ factors that influence foreign policy choice from outside a country and ‘endogenous’ factors that come from within a country.⁹

‘Exogenous’ or ‘external’ factors are conditions arising from distinct characteristics of the international environment that indirectly influence a country’s foreign policy. They focus on how factors such as the structure of the international system, international institutions, a country’s external relations with other countries or its international status generate or limit foreign policy in certain ways. These factors mainly stay beyond the control of each country’s policymakers and may even prevent them from adopting preferred foreign policy choices.

In this regard, different factors such as the anarchic nature of the international system, the level of economic interdependence among states, and the existence of international norms are argued to be factors that limit the foreign policy choices of states in different ways. For instance, the realist school argues that the international system is anarchic in nature. The absence of an overarching power in the international system and the consequent lack of enforcing mechanisms are seen as the primary determinants of a country’s foreign policy as they increase the

⁸ Christopher Hill, *Foreign Policy in the Twenty-First Century* (London: Palgrave, 2016), 29; James N. Rosenau, “Pre-Theories and Theories of Foreign Policy,” in *Approaches to Comparative and International Politics*, ed. Barry R. Farrell (Evanston: Northwestern University Press, 1966), 23-28.

⁹ Petrič, *Foreign Policy*, 79-80.

likelihood of conflicts and create a 'self-help' system.¹⁰ Such need for security drives states to maximize their military power for survival. Thus, states with less military powers would face more constraints in their available choices of foreign policy and be pressured to join alliances at the expense of some of their autonomy or resort to other strategies such as hedging or bandwagoning.

Economic wealth and interdependence among countries can also influence foreign policy decisions. As states become more interdependent with increases in global trade and technological advancement, the mutual benefits gained from such interdependence cause states to cooperate for economic gains.¹¹ Accordingly, a higher level of interdependence would have higher implications for a country's foreign policy. Countries with more economic wealth have greater leeway in their foreign policy as they can afford to forgo a certain level of economic profits to pursue other goals. Countries with less economic wealth, on the other hand, cannot afford such luxury as they are more dependent on engagement with the world economy.

International norms also influence a country's foreign policy by defining internationally appropriate behavior through socially constructed structures. These norms underlined by international law and institutions construct national interests and identity.¹² Hence, they make it costlier for states to act unilaterally and more attractive to act within the boundary of international institutions as other states may sanction or shame violators.

As discussed, various external factors systemically affect a country's

¹⁰ Morgenthau, *Politics among Nations*; Kenneth Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979); John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York, NY: W.W. Norton, 2003).

¹¹ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Boston, MA: Little, Brown, and Company, 1977).

¹² Theo Farrell, "Constructivist Security Studies: Portrait of a Research Program," *International Studies Review* 4 (2002): pp. 49-72.

decision-making process. On the other hand, ‘endogenous’ or ‘internal’ factors are inherent within a country’s system and directly affect a country’s decision-making process. The diversity of states’ inherent characteristics may cause them to pursue different foreign policy notions despite facing the same international environment. The most obvious and important factor would be country-specific characteristics such as a country’s geographical size and location, its population, and resource endowment. As these features directly translate into a country’s power and interests, a country’s foreign policy will vary according to its demographical and geographical configurations.

The level of democratization and public opinion also affect a country’s foreign policy as a liberal democratic system involves more actors in its decision-making process by nature. It also requires leaders to gather consensus on foreign policy as they answer directly to the public and political parties. Hence, democracies are more likely to resort to peaceful means of foreign policy as the public are more disposed towards economic benefits than military conflicts.¹³ The foreign policy of a democratic country is also affected by the electoral cycle as its timing and political competition may cause leaders to pursue policies that will satisfy the electorate and lead to favorable election outcomes. Authoritarian regimes with lower degrees of democratization are also held accountable by the public to some extent, but authoritarian leaders may utilize foreign policy differently to demonstrate one’s leadership or divert domestic discontent.

Equally important is the personal traits of political leaders as individual leaders have the authority to make foreign policy decisions. A leader’s personal

¹³ John M. Owen, “How Liberalism Produces Democratic Peace,” *International Security* 19 (1994): pp. 87-125.

values, perceptions, experience, knowledge, and understanding of international relations all affect a country's foreign policy. The role of leaders' personal qualities becomes more prominent when crucial and swift decisions are required in uncertain, ambiguous, and complicated situations.¹⁴

As discussed, a complex combination of factors determines how a country makes a specific foreign policy choice. Although not discussed in detail, other factors such as professional bureaucracy, domestic interest groups, and culture also play a significant role in the decision-making process. Hence, examining how the interplay of certain factors and motives lead to a country's specific foreign policy choice is necessary to understanding why and how a country chooses to pursue a particular foreign policy while others choose to go on a different path of foreign policy.

1.2 Levels of Analysis

Although the previous section has attempted to identify major determinants of foreign policy, it is nearly impossible to identify every single determinant in a foreign policy decision and accurately determine each determinant's level of influence on the decision. Analyzing foreign policy through the lens of its determinants is limited as many of these determinants are rather abstract in form and difficult to measure quantitatively and put under thorough and objective scrutiny. It may be possible to identify which factors played major roles in a particular foreign policy decision and some physical factors such as a country's geographical features, population, and resource endowment may even be relatively easy to identify and

¹⁴ Jack S Levy, "Political Psychology and Foreign Policy," in *Oxford Handbook of Political Psychology*, ed. David Sears, Leonie Huddy, and Robert Jervis (New York, NY: Oxford University Press, 2003), pp. 253-284.

measure. But considering the multiplicity of factors relevant to a foreign policy decision, translating those results into each determinant's level of contribution to a policy decision would be unfeasible.

Thus, unlike examining the implications of foreign policy decisions, analyzing the reasoning behind foreign policy is difficult as the decision-making process is mostly done behind closed doors and the information is not made public more than often mainly due to reasons of national security. Even if the information was to be publicized, the decision-makers themselves would be unable to objectively determine the extent to which each factor played a part in the decision-making process.

This explains why it is difficult to predict what foreign policy decision will be made based on the analysis of foreign policy determinants alone. As such, although an insightful research tool to begin with nonetheless, analysis of foreign policy determinants by itself is insufficient to fully understand foreign policy.

Such flaws require that analysis of foreign policy determinants be complemented by another analytical tool of analytical levels. Levels of analysis allow one to focus one's research by dividing factors across different levels. Hence, by choosing whether to concentrate on parts or the whole of a foreign policy decision, one is able to effectively analyze complex decisions. Furthermore, distinguishing each level of analysis allows one not only to focus on specific factors on a particular level, but also on the interplay of different determinants across several levels of analysis while combining the role of decision-makers and foreign policy determinants. Snyder, Bruck, and Sapin explained that through the integration of various determinants made possible by analytical levels, "unrelated internal and

external factors become related in the actions of the decision-makers.”¹⁵

Scholars remain divided on the division of foreign policy decision-making process into different analytical levels. In *Man, the State, and War*, Kenneth Waltz proposed three levels or ‘images’ of the individual, the state, and the international system in identifying the causes of war. He argued that wars are caused by human nature or the orientation of state leaders, the first image or the individual, and by the structure of the state, the second image or the state. But he stressed the third image or the international system arguing that anarchy is the principal cause of war.¹⁶ But in his latter book of *Theory of International Politics*, Kenneth Waltz reevaluated his three images and introduced a structural theory in which he proposed two analytical levels of the unit pertaining to states and the international system with more specified emphasis on the causality between the systemic level and state behavior.¹⁷

David Singer responded to Waltz’s proposition by raising the ‘level-of-analysis’ problem. He claimed that the international system can be influenced by individual behaviors of decision-makers and how they “perceive, evaluate, and respond to” the system, refuting Waltz’s notion that the international system is the primary cause of war and implying that the individual level is the most important of all.¹⁸ However, he offered a different explanation a year later. He introduced two levels of analysis, the international system and the national state. Singer argued that a system consists of a micro- and macro-level of analysis with the international

¹⁵ Richard C. Snyder, Henry W. Bruck, and Burton M. Sapin, eds., *Foreign Policy Decision-Making: An Approach to the Study of International Politics* (Glencoe, IL: Free Press, 1962), 74, 85.

¹⁶ Kenneth N. Waltz, *Man, the State, and War* (New York, NY: Columbia University Press, 1959).

¹⁷ Waltz, *Theory of International Politics*.

¹⁸ J. David Singer, “International Conflict: Three Levels of Analysis,” *World Politics* 12, no. 3 (1960): pp. 453-461, 461.

system offering a more comprehensive understanding of international relations while the national state gives a more detailed and intensive explanation.¹⁹ Thus, no level of analysis is more important than the other with the acknowledgement that states are elements forming the international system.

Likewise, calling domestic explanations of foreign policy “atomist,” Alexander Wendt sought to address the agent-structure problem and the question of whether agents form social structures or vice versa.²⁰ He argued that agents or states and the social structures are “mutually constitutive yet ontologically different entities.”²¹ Hence, although distinguishing between different analytical levels, he considered them to be constantly affecting each other as agents have power to change the structure despite being constrained by those structures.

Similarly, Robert Putnam perceived international negotiations in foreign policy as a two-level game between the national and international levels. In these two-level games, the national leaders seek a mutually acceptable agreement with another country, labelled as Level I, that will also simultaneously be acceptable at home for ratification, labelled as Level II. Defining “win-sets” as all possible agreements at Level I that would garner the necessary domestic support, he argued that larger win-sets increase the likelihood of international agreements and that greater autonomy of decision-makers weakens one’s bargaining power at Level I.²² Thus, state leaders face the need to satisfy both the interest of their domestic groups

¹⁹ J. David Singer, “The Level-of-Analysis Problem in International Relations,” *World Politics* 14, no. 1 (1961): pp. 77-92, 89.

²⁰ Benjamin Braun, Sebastian Schindler, and Tobias Wille, “Rethinking Agency in International Relations: Performativity, Performances, and Actor-Networks.,” *Journal of International Relations and Development* 22, no. 4 (2019): pp. 787-807, 791.

²¹ Alexander Wendt, “The Agent-Structure Problem in International Relations Theory,” *International Organization* 41, no. 3 (1987): pp. 335-370, 360.

²² Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organization* 42, no. 3 (1988): pp. 427-460, 437, 440.

and negotiating countries.

Some scholars such as Hollis and Smith went even to suggest four levels of analysis – the individual, the bureaucracy, the nation state, and the international system – to answer Singer’s level-of-analysis problem (See Figure 2). They postulate that each level is in a debate with the adjacent levels and that each debate produces a different result depending on whether one takes a top-down or a bottom-up approach.²³ For instance, a top-down approach of the first debate would see the international system as dominating the nation state while a bottom-up approach would see states as forming the system and transforming it.

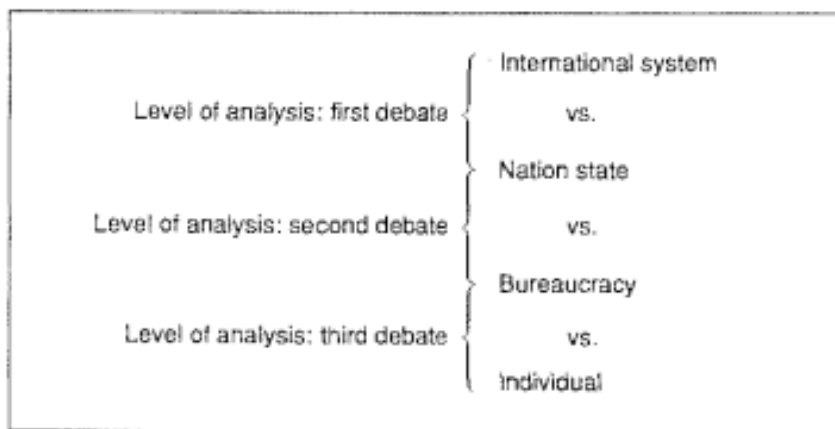


Figure 1: Hollis and Smith’s Levels of Analysis

Despite such varying divisions of analytical levels, a common observation that can be found is that the different levels of analysis complement each other as higher or lower units in international relations. In this regard, Robert Jervis called for the study of international politics to contemplate on the interactions of the

²³ Martin Hollis and Steve Smith, *Explaining and Understanding International Relations* (Oxford: Clarendon Press, 1991), 8-9.

bureaucratic, national, and international levels and to choose a main level of analysis based on the purpose of the research.²⁴ Graham Allison further illustrated this point by arguing that research must encompass different levels by moving through the various levels of analysis.²⁵

As such, integrating the study of foreign policy determinants and analytical levels remains critical for foreign policy analysis. Therefore, the comparative analysis of this paper on the China policies of Australia and New Zealand will be conducted through a comprehensive examination of foreign policy determinants that encompass different levels instead of being limited to policy determinants on a particular level which will be explained in detail in the following sections.

2. On Australia and New Zealand's China Policies

Given that the research subject is still ongoing at the time of this paper's writing, academic literature on Australia and New Zealand's recent China policies and particularly their comparison is not in abundance. Therefore, this paper has reviewed works that address Australia and New Zealand's foreign policies toward China separately going back as far as the 2010s. By looking at works from different years, the author hoped to observe changes in the academic writing and sentiments of Australia and New Zealand with the passage of time.

²⁴ Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), 16-17.

²⁵ Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, and Company, 1971).

2.1 Australia's China Policy

Several works examine Australia's China policy and make recommendations for Australia's future policy before the deterioration of Australia-China relations in 2020. Hugh White wrote as early as in 2011 that Australia should accommodate China given the trend of power shift in the region. Despite noting that the continued American hegemony is in the best interest of Australia, White saw the relative decline of the U.S. as inevitable and claimed that the decline of the U.S. leading to American withdrawal or U.S.-China competition would be disastrous for Australia. Hence, he proposed a "Concert of Asia" in which the U.S. will maintain strategic engagement with the region and peaceful relations with China.²⁶ To that end, Australia would have to be engaged in a diplomatic campaign with both Washington and Beijing and persuade the U.S. to give away its regional primacy for a collective leadership in Asia. While recognizing that his idea is difficult to realize, White argued that Australia should work for the most stable relations among the regional powers to benefit from both its economic relationship with China and strategic partnership with the U.S. In consolidating his proposal, he firmly added that "when the costs of confrontation are clearly understood, accommodation-within clear limits-becomes the only credible option."²⁷

In 2012, Manicom and O'Neil compared the China policies of Australia and Canada and concluded that both countries have been taking a pragmatic approach of balancing economic benefits and political challenges. They noted, however, that Australian leaders had faced more adverse public opinion against China's human

²⁶ Hugh White, "Power Shift: Rethinking Australia's Place in the Asian Century," *Australian Journal of International Affairs* 65, no. 1 (2011): pp. 81-93, 90-91.

²⁷ Ibid.

rights abuses and authoritarian regime and refrained from addressing China's domestic issues unlike Canadian leaders who referred to such issues in diplomatic talks. They identified three factors of geographical proximity to China, differences in trading relations with China, and the presence of China issue in domestic partisan politics as explanation to this difference. They concluded that these factors influence Australia's ironical perception of China as an economic partner and security threat.²⁸

Camilleri, Martin, and Michael openly suggested in 2013 that China's rise and U.S.' loss of its hegemonic position dictate that Australia come up with a new diplomatic strategy to maintain its economic prosperity which is linked to China's modernization. They argued that a strategy primarily aimed at preventing conflict between the U.S. and China is undesirable as it restricts the range of policy options for Australia and may entrench Australia's dependence on American hegemony. Despite acknowledging China's growing assertiveness in the region, the authors claimed that such strategy discourages domestic support especially in times of Chinese assertiveness. As a solution, they proposed a continued, multifaceted dialogue with China that involves politicians, the military, businesses, intellectuals, the media, and artists to address security concerns and transnational issues such as climate change. To do so, they argued that younger generation's cultural literacy regarding Chinese language and culture should be enhanced and that it should also target the large number of Chinese students in Australia.²⁹

In 2015, Thomas added another factor to the existing literature of Australia

²⁸ J. Manicom and A. O'Neil, "China's Rise and Middle Power Democracies: Canada and Australia Compared," *International Relations of the Asia-Pacific* 12, no. 2 (2012): pp. 199-228, 219-223.

²⁹ Joseph A. Camilleri, Aran Martin, and Michális S. Michael, "Courting the Dragon: Australia's Emerging Dialogue with China," *Asian Politics and Policy* 5, no. 1 (2013): pp. 1-25.

caught between economic ties to China and security ties to the U.S. and argued that Australia also faces reservations and divided public opinion on both China and the U.S. Moreover, he claimed that Australia is an outlier to Organski's Power Transition Theory which postulated that third-party states in a power struggle are unlikely to move away from key security partnerships. This was because Australia had developed significant relations with both the dominant and rising powers. However, this caused Australia to balance both powers to maximize security which no longer made the U.S. Australia's sole provider of security and drew Australia into the China-centric circle. Along those lines, Thomas concluded that Australian governments of different political orientations have contributed to an alliance drift and that consequently, Australia will one day be forced to make a decision between the U.S. and China.³⁰

Interestingly, after Australia's banning of Huawei and ZTE from its 5G network and the legislation of the Foreign Influence Transparency Scheme Act in 2018, Rory Medcalf's article put forth Australia's need to manage China's power and assertiveness without leading it to conflict and to protect democracy and national interests. As such, Medcalf still recognized the importance of Australia's relations with China and suggested that Australia reconvey its want for mutual respect, outreach to its Chinese communities, ban foreign donations, and include business leaders and state governments in its national policy against China.³¹

In this respect, Medcalf's article provides insight into the shift in Australian

³⁰ Nicholas Thomas, "The Economics of Power Transitions: Australia between China and the United States," *Journal of Contemporary China* 24, no. 95 (2015): pp. 846-864, <https://doi.org/10.1080/10670564.2015.1013376>.

³¹ Rory Medcalf, "Australia and China: Understanding the Reality Check," *Australian Journal of International Affairs* 73, no. 2 (2018): pp. 109-118, <https://doi.org/10.1080/10357718.2018.1538315>.

perception of its relations with China as it shows how the debate has moved from having to choose between the U.S. and China to choosing between the protection of Australian values and relations with China after tensions between Australia and China began to materialize. Furthermore, when reflecting on the Australian government's scrapping of Victoria state's agreements with China, the article's call on the government to include state governments in its national strategy reveal that the Australian government has been lacking orchestrated all-out efforts in the execution of its national strategy.

Kim also addressed Australia's response to China's growing assertiveness in 2020. Identifying Australia's strategy as hedging between balancing and bandwagoning, he argued that Australia has been leaning towards balancing compared to its policies in the early 2000s. Listing Australia's independent military build-up, the diversification of strategic and defense partners in the region, and its enhanced alliance with the U.S. as Australia's responses, Kim concluded that the shift in the regional balance of power and China's maritime assertiveness have changed Australia's perception of China.³²

Following the full-blown conflict and economically retaliatory measures between Australia and China in 2020, Michael Wesley of University of Melbourne attempted to interpret the rapid and drastic worsening of Australia-China relations from the perspective of the triangular dynamics of the relations among Australia, China, and the U.S. The article cited the intensification of the U.S.-China competition after 2009 as the cause of increased triangular pressure on Australia as

³² Jaebeom Kwon, "When the Kangaroo Encounters the Flying Dragon: The Growth of Balancing Elements in Australia's China Policy," *Pacific Focus* 35, no. 3 (December 2020): pp. 491-529, <https://doi.org/10.1111/pafo.12174>.

both the U.S. and China sought to appeal to Australia. The past growth of economic relations between Australia and China had made China think of Australia as its partner in the pursuit of its interest in the Asia-Pacific which caused Beijing's anger. Thus, the U.S. and Australia have been aligning their strategies in the region following Australia's increased security concerns as shown in the American support for Australia in its trade dispute with China. The author concluded that the best scenario for Australia is not the restoration of ties with China, but rather a stabilization of the current relations with China.³³

In another article written after the deterioration of Australia-China relations, Baogang He called on Australia to set new "taming" policies as research agendas in managing Australia's relations with China. The article proposed an Australian version of experience-based theory of taming to address its concern on the authoritarian nature of China's power. Although it remains a proposal and has not been incorporated into Australian foreign policy yet, he claimed that as a middle power, Australia is well-positioned for "taming" policies and that it can play a critical role in power transitions.³⁴

Overall, the scholarly writing on Australia's China policy reflects the trend of the Australia-China relations at the time. Before the beginning of tensions in the bilateral relations, the focus goes on the shifting of the regional power structure due to China's rise and how Australia is to adapt to that shift. Another point of concern was concurrently maintaining economic relations with China and security

³³ Michael Wesley, "The Challenge of Triangulation: The Impact of China on the Australia-US Alliance," *Australian Journal of Politics and History* 67, no. 3-4 (2021): pp. 405-420, <https://doi.org/10.1111/ajph.12786>.

³⁴ Baogang He, "Taming Chinese Power: Decoding the Dynamics of Australian Foreign Policies toward the Rise of China," *Australian Journal of International Affairs* 75, no. 6 (February 2021): pp. 650-664, <https://doi.org/10.1080/10357718.2021.1992143>.

partnership with the U.S. with less attention given to China's assertiveness, authoritarian regime, and human rights abuses. But with signs of friction in the relations in 2018, the subject shifted to countering China's assertiveness while continuing to pursue its national interests from its relations with China.

2.2 New Zealand's China Policy

Literature on New Zealand's China policy also show similar trend with the changes in China's foreign policy. Robert Ayson wrote on the future foreign policies of Australia and New Zealand in 2012 which was about the same time when Hugh White proposed a Concert of Asia before the intensification of the U.S.-China rivalry in the Asia-Pacific. Reflecting on Obama's rebalance to Asia, he argued that New Zealand is "unable and unwilling" to grow its relations with the U.S. to a level comparable to that of Australia although its renewed attempts at security cooperation had nevertheless strengthened its relations with the U.S.³⁵ He predicted that when considering its growing economic relations with China and the resurgent security cooperation with the U.S., New Zealand would be in a tight spot when the U.S.-China competition intensifies. Ayson did note that New Zealand faced a smaller risk than Australia and called on both Australia and New Zealand to concentrate on maintaining bilateral relations with each other rather than being solely focused on their relations with the U.S. and China.³⁶

An attempt to explain New Zealand's engagement of China through ideational factors was made by Jason Young in 2017. Young outlined New Zealand's

³⁵ Robert Ayson, "Choosing Ahead of Time? Australia, New Zealand and the US-China Contest in Asia," *Contemporary Southeast Asia* 34, no. 3 (December 2012): pp. 338-364, <https://doi.org/10.1355/cs34-3b>.

³⁶ Ayson, "Choosing Ahead of Time," 339-40.

China policy as being free from security and political frictions, achieving a series of diplomatic ‘firsts,’ and as having a pragmatic, proactive, and ‘no surprises’ notion.³⁷ He does not see New Zealand’s engagement with China as a “rational response of a small country that seeks economic and security interests.”³⁸ Rather, the author suggested that New Zealand and, accordingly, its leaders’ identity as a ‘small trading nation’ and ‘good international citizen’ shaped its response to China’s rise and that New Zealand’s identity formed over the past decades through its bilateral and multilateral relationships led it to seek ontological security in its relations with China. As such, Young’s work provides a rare and valuable insight as it pointed out the importance of ideational factors in the responses of Western liberal democracies to the rise of China instead of material interests.

Concerns on China’s increasing assertiveness began to appear in the late 2010s. In 2019, Noakes and Burton noticed differences in Canada and New Zealand’s approaches to China despite their political, economic, and cultural similarities as non-great powers. They rejected the conventional argument that middle powers bandwagon with traditional allies and examine the strategic value of New Zealand and Canada to China. China’s preference for bilateral engagements offsets the middle power efforts to balance against great powers by aligning with other middle powers by creating an asymmetrical balance of power in favor of China. Hence, they argued that New Zealand is an easier and quicker target for China’s economic statecraft and that given this vulnerability, New Zealand should build up its capabilities to resist Chinese influence and engage in open dialogues with its allies

³⁷ Jason Young, “Seeking Ontological Security through the Rise of China: New Zealand as a Small Trading Nation,” *The Pacific Review* 30, no. 4 (2017): pp. 513-530, <https://doi.org/10.1080/09512748.2016.1264457>.

³⁸ Young, “Seeking Ontological Security,” 515-516.

as share its experience with China's economic statecraft.³⁹

Baker also wrote that China had become more coercive since Xi Jinping's accession in 2012. In his opinion, this required from Wellington a more comprehensive approach to national security. The article specifically identified China as a threat to New Zealand's democratic institutions, prosperity, independence, and regional stability as it challenged the rules-based international order upon which New Zealand had depended for its security and prosperity. She pointed out that China's challenge showed why small states need a grand strategy and criticized the lack of a coherent national defense strategy as a key deficiency of New Zealand's foreign policy arguing that a national security strategy would raise public awareness and enable better use of its own leverages. In all, three goals were put forth for New Zealand: safeguard New Zealand's democratic institutions, protect its economic base, and maintain regional stability in the South Pacific. Interestingly, the article argued that New Zealand can learn from other western democracies such as Australia, the U.S., the U.K., and Canada, all members of the Five Eyes intelligence alliance.⁴⁰

In 2020, Robert Ayson made an interesting comparison of New Zealand's responses to three irresponsible states of China, Russia, and the U.S. under President Trump. Ayson referred to Prime Minister Jacinda Ardern's promise that New Zealand would stand up for its values and examined the foreign policies of governments under John Key, Bill English, and Jacinda Ardern. The article first noted New Zealand's commitment as a "self-declared small and principled power" to

³⁹ Stephen Noakes and Charles Burton, "Economic Statecraft and the Making of Bilateral Relationships: Canada-China and New Zealand-China Interactions Compared," *Journal of Chinese Political Science* 24, no. 3 (2019): pp. 411-431, <https://doi.org/10.1007/s11366-018-09602-x>.

⁴⁰ Maia Baker, "New Zealand's Strategic Challenge: Responding to China's New Interventionist Foreign Policies," *Journal of Indo-Pacific Affairs* 3, no. 1 (2020): pp.11-39.

international institutions, regimes, and norms that comprise the rules-based order and its doubt of great power commitment to the protection of the international order. It pointed out that while the Ardern government had been more spoken out against China compared to previous governments, it had been less consistent. To explain the difference, the author suggested increased coercive activities of China, the Labour Party's compromise that gave foreign affairs and defense portfolio to the New Zealand First Party and changes in public opinion.⁴¹

Jason Young also addressed New Zealand's refusal against China's request to remain silent about its illiberal politics. He argued that despite accommodating certain requests from the U.S. and China at times, New Zealand continued to formulate its own interests, shifting away from strategic ambiguity. Young once again dismissed the notion that material interests determine foreign policy and argued that state preferences are formed by a combination of national identity, values, democratic institutions, and party politics.⁴²

Lastly, with direct relevance to the research subject of this paper, Köllner compared the recalibration of Australia and New Zealand's China policies. While noting the major 'reset' of Australia's China policy, it saw New Zealand's China policy as ambiguous, restrained, and more risk-averse even after the change of government in 2017. To explain the difference, Köllner utilized small state theory and argued that New Zealand's perception of itself as a small state demanded that it make a pragmatic choice unlike bigger states like Australia.⁴³ He, therefore,

⁴¹ Robert Ayson, "New Zealand and the Great Irresponsibles: Coping with Russia, China and the US," *Australian Journal of International Affairs* 74, no. 4 (2020): pp. 455-478, <https://doi.org/10.26686/wgtn.14633145.v1>.

⁴² Jason Young, "US-China Competition and Small Liberal Democracies: New Zealand and the Limits of Hegemony," *Political Science* 73, no. 1 (2021): pp. 48-65, <https://doi.org/10.1080/00323187.2021.1967763>.

⁴³ Patrick Köllner, "Australia and New Zealand Recalibrate Their China Policies:

concluded that the elasticity of exports increased New Zealand's vulnerability and that its security relationship with Australia strengthened such perception to maintain a strong economic relationship with China.⁴⁴

In all, compared to the literature on Australia's China policy, the academic writing on New Zealand's China policy is also concerned with how to adapt to the changing power balance with China's rise in the early 2010s. However, New Zealand did not face the choice of having to choose between economic ties to China and security ties to the U.S. unlike Australia who was at the very end of Chinese assertiveness. Thus, after the materialization of the U.S.-China competition, the literature on New Zealand focused on the protection of its democracy, values, and institutions arising from its self-perception as a small state and government formation although cautioning against potential vulnerabilities from its relations with China.

But most literature either analyze each country's foreign policy at the time of the study or propose strategies for future foreign policy. Not even a handful of studies compare the recent China policies of Australia and New Zealand to determine the differentiating factors in the foreign policy of the two countries such as Manicom and O'Neil's study in 2012 that compared the China policies of Australia and Canada and Köllner's work that compared the China policies of Australia and New Zealand in 2021. Given the lack of such studies, this paper aims to contribute to the current research trend of foreign policy in the South Pacific with its comparative analysis of Australia and New Zealand.

Convergence and Divergence," *The Pacific Review* 34, no. 3 (2021): pp. 405-436, <https://doi.org/10.1080/09512748.2019.1683598>.

⁴⁴ Köllner, "Australia and New Zealand Recalibrate Their China Policies," 428.

3. Analytical Framework

This chapter has thus far outlined that this paper aims to comparatively analyze foreign policy determinants across different levels of analysis. To do so, this paper will draw on James N. Rosenau's pre-theory and its five variables. The following sections explain the theoretical concepts of Rosenau's pre-theory and the method of its application to this research.

3.1 Rosenau's Pre-theory

Foreign policy is comprised of state behavior or action and the decision-making process that led to that particular behavior. State behavior takes place within the international system with the state as the principal actor while the decision-making occurs within a state by a decision-maker. Following these definitions, foreign policy is state behavior or action taken by a state against other states or the international system in seeking its national interests. Therefore, when reflecting on the literature review, foreign policy analysis requires one to employ a comprehensive analytical framework that encompasses the international system, the domestic politics of a state, and their interactions. As such, the goal of this paper is to explain the underlying causes of divergence in Australia and New Zealand's China policies through the analytical framework of James N. Rosenau's pre-theory.

Rosenau's proposition of 'pre-theory' began with his observation made in the 1966 essay in which he argued that while the "literature of the field is now rich with 'factors' that have been identified as internal sources of foreign policy," foreign policy analysis failed to capture "the dynamics of the processes which culminate in

the external behavior of societies.”⁴⁵ Thus, he pointed to the lack of a general theory in foreign policy analysis and proposed his pre-theory as the groundwork for “comparison in the examination of the external behavior of various countries in various situations.”⁴⁶

Rosenau argued that “to recognize that foreign policy is shaped by internal as well as external factors is not to comprehend how the two intermix” and aimed to address how the identified factors interact with each other in affecting the decision-making process.⁴⁷ For Rosenau, simply identifying which factors determine foreign policy was not sufficient. Hence, another goal Rosenau wanted to achieve through his pre-theory was to improve the theoretical framework by arranging the internal and external factors and their influence on foreign policy decisions in the order of their “relative potency.”

To do so, Rosenau proposed a set of independent variables that affect the dependent variable of foreign policy. These five variables consist of idiosyncratic or individual, role, governmental, societal, and systemic variables. The first variable of the individual pertains to the personal traits and orientation of individual leaders involved in the decision-making process. Every foreign policy decision is made by individual policymakers. Therefore, every foreign policy decision is inevitably under the influence of one’s personal characteristics that encompasses the decision-maker’s values, previous experiences, and talents among others. The unique personality of the decision-maker distinguishes his or her foreign policy choice from that of other leaders and determines one’s course of action.

⁴⁵ Rosenau, “Pre-Theories and Theories of Foreign Policy,” 28, 31

⁴⁶ Ibid., 42.

⁴⁷ Ibid., 31.

The role variable was defined by Rosenau as “the external behavior of the officials that is generated by the roles they occupy and that would be likely to occur irrespective of the individual characteristics of the role occupants.”⁴⁸ As described in the individual variable, policymakers are indirectly guided by their personal characteristics. However, they are also influenced by the role of the position they are holding as political positions require prescribed roles with public expectations of certain behaviors. Hence, leaders may also act in accordance with the requirements of the position irrelevant of their personal orientation and interests.

The governmental variable outlines the importance of the government structure. Foreign policy, though ultimately decided by the top decision-maker, is also shaped by the internal relationship among governmental organizations while experts within the organization provide suggestions and outline specific policy details. A prime example of such relationship would be the one between the administration and the Congress in the United States. The governmental variable is concerned with to what extent the structure of the government limits or enhances the foreign policy decisions of individual policymakers. However, the applicability of this variable changes with the level of democratization in a particular state.

The societal variable, on the other hand, involves the nongovernmental aspects that may influence foreign policy. If the governmental variable focused on the public sector, the societal variable focuses on the private sector of a state. It encompasses factors such as a society’s main value orientations, the level of its industrialization, and the level of national solidarity. Other additional factors that may be relevant also include the public opinion, culture, and the composition of

⁴⁸ James N. Rosenau, *The Study of World Politics: Theoretical and Methodological Challenges*, vol. 1 (London: Routledge, 2006), 172.

interest groups and the party system.

Lastly, the systemic variable is defined by Rosenau as including “any human or nonhuman aspects of a society’s external environment or any actions occurring abroad that condition or otherwise influence the choices made by its officials.”⁴⁹ It incorporates the characteristics of the international system and external events such as geographical features, external ideological challenges or the redeployment of potentially hostile forces.

Rosenau further divided these five variables according three characteristics of geographical features, level of development, and the openness of their political system creating eight subtypes of state categories. For each of these eight state subtypes, the five pre-theoretical factors were given different orders of importance as illustrated in Figure 3. By doing so, Rosenau attempted to determine the relative potency of each variable according to a country’s distinct characteristics.

Geography and physical resources	Large Country				Small Country			
State of the economy	Developed		Underdeveloped		Developed		Underdeveloped	
State of the polity	Open	Closed	Open	Closed	Open	Closed	Open	Closed
Rankings of the variables	Role Societal Governmental Systemic Individual	Role Individual Governmental Systemic Societal	Individual Role Societal Systemic Governmental	Individual Role Governmental Systemic Societal	Role Systemic Societal Governmental Individual	Role Systemic Individual Governmental Societal	Individual Systemic Role Societal Governmental	Individual Systemic Role Governmental Societal
Illustrative examples	U.S.	U.S.S.R.	India	P.R.C.	Holland	Czechoslovakia	Kenya	Chana

Figure 2: Rosenau’s Pre-Theory of Foreign Policy

⁴⁹ James N Rosenau, *The Scientific Study of Foreign Policy* (New York: The Free Press, 1971), 109.

Rosenau believed that his pre-theory could evolve into a general theory through a comparative analysis of foreign policies instead of explanations of individual countries' foreign policies. In this respect, pre-theory was intended to add a comparative function to foreign policy analysis by categorizing state actors by their different levels of size, economic development, and political openness.⁵⁰

Determinants of foreign policy combine and interact with each other in framing foreign policy. Thus, when making a foreign policy decision, one should consider not only the internal factors of a country including the decision-maker, the bureaucracy, the political power structure, and the economic and social development, but also the political and economic situations of neighboring countries. Given that the pre-theory incorporates various foreign policy determinants into multi-dimensional levels of analysis or as variables, the analytical schema put forth by Rosenau presents a comprehensive framework necessary in the comparative analysis of foreign policy.

3.2 Research Application

The previous sections have outlined that a comprehensive analysis on the influence of foreign policy determinants in the decision-making process is necessary to understand the complex interactions between states and non-state actors. This paper has also noted that foreign policy analysis requires that such study be complemented by varying levels of analysis. Hence, Rosenau's pre-theory offers an effective analytical tool applicable to the research of this paper with its inclusive

⁵⁰ Harvey Starr, "Rosenau, Pre-Theories and the Evolution of the Comparative Study of Foreign Policy," *International Interactions* 14, no. 1 (1988): pp. 3-15, <https://doi.org/10.1080/03050628808434686>, 5.

categorization of foreign policy determinants into its five variables. As its analytical levels reflect relative potency, not weighted absolute importance, pre-theory also suggests an analytical method to examine foreign policy in different countries with diverse characteristics. Furthermore, Rosenau's pre-theory has been utilized in multiple works comparing the foreign policies of different countries, raising its relevance in the field of comparative foreign policy analysis.

In applying the pre-theory to the discerning of the decisive factor in divergence of Australia and New Zealand's China policies, Australia and New Zealand's classification according to Rosenau's pre-theory must first be determined to observe the relative potency of the five variables in their foreign policy decision-making process.

Australia was classified as a 'large' country given that it is the sixth largest country in the world with 7,692,024 km² of land mass and rich resource endowments.⁵¹ With a GDP ranking of thirteenth out of 217 countries in 2021, Australia fits into the 'developed' nation while its robust parliamentary democracy renders it an 'open' political system.⁵² This makes Australia a large-developed-open country according to Rosenau's topology in which the variables influence the country's foreign policy in the order of role, societal, governmental, systemic, and individual as shown in Figure 4.

New Zealand, on the other hand, is a 'small' country with a land mass of only 263,310 km² which is about 3.4 percent of Australia's total land area.⁵³ Despite

⁵¹ "Australia's Size Compared," Geoscience Australia (Australian Government), accessed November 27, 2022, <https://www.ga.gov.au/scientific-topics/national-location-information/dimensions/australias-size-compared>.

⁵² "Gross Domestic Product 2021," The World Bank, accessed November 27, 2022, <https://databankfiles.worldbank.org/data/download/GDP.pdf>.

⁵³ "Land Area (Sq. Km) - New Zealand," The World Bank, accessed November 27, 2022, <https://data.worldbank.org/indicator/AG.LND.TOTL.K2?locations=NZ>.

also being relatively abundant in natural resources, resource exports account for only 1.5 percent of New Zealand's GDP which may not be plentiful enough to make it a resource-rich country.⁵⁴ Ranking forty-seventh in GDP ranking out of 217 countries, New Zealand is also considered a 'developed' country.⁵⁵ Like Australia, New Zealand also boasts years of a strong parliamentary democracy as an 'open' country. Hence, as a small-developed-open country, the relative potency of the variables on New Zealand's foreign policy is in the order of role, systemic, societal, governmental, and individual.

The pre-theoretical classifications of Australia and New Zealand are illustrated in Figures 3 and 4. The two countries differ only in their geographical classification while sharing common classifications in the states of the economy and polity. In terms of the variables' relative potency on their foreign policy, Australia and New Zealand have in common the role variable as the most influential variable and the individual variable as the least influential variable. This may stem from both countries being stable liberal democracies with firmly established multi-party system, rule of law, and democratic institutions that prevent the concentration of power on one individual and hold political leaders responsible for their policies. As for the other three variables of governmental, societal, and systemic, there are no similarities or patterns of difference between the two countries.

Therefore, in applying the pre-theory to analyzing the China policies of Australia and New Zealand, each of a country's variables will first be examined to determine the applicability of each variable's influence on the foreign policy decision

⁵⁴ "Total Natural Resources Rents (% of GDP)," The World Bank, accessed November 27, 2022, <https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS>.

⁵⁵ The World Bank, "Gross Domestic Product 2021."

of the country followed by a comparative analysis of equivalent variables. Moreover, in line with the relative potency prescribed to each variable by Rosenau, the level of a variable's influence will be considered in the same order as classified in Figures 3 and 4. For instance, if the analysis results are to show that two variables have shown to be influencing foreign policy, the variable with a higher ranking in the classification will be regarded as having higher significance in the foreign policy decision-making process.

Geography and physical resources	Large Country				Small Country			
State of the economy	Developed		Underdeveloped		Developed		Underdeveloped	
State of the polity	Open	Closed	Open	Closed	Open	Closed	Open	Closed
Rankings of the variables	Role Societal Governmental Systemic Individual	Role Individual Governmental Systemic Societal	Individual Role Societal Systemic Governmental	Individual Role Governmental Systemic Societal	Role Systemic Societal Governmental Individual	Role Systemic Individual Governmental Societal	Individual Systemic Role Societal Governmental	Individual Systemic Role Governmental Societal

Figure 3: Australia's Classification According to Pre-Theory

Geography and physical resources	Large Country				Small Country			
State of the economy	Developed		Underdeveloped		Developed		Underdeveloped	
State of the polity	Open	Closed	Open	Closed	Open	Closed	Open	Closed
Rankings of the variables	Role Societal Governmental Systemic Individual	Role Individual Governmental Systemic Societal	Individual Role Societal Systemic Governmental	Individual Role Governmental Systemic Societal	Role Systemic Societal Governmental Individual	Role Systemic Individual Governmental Societal	Individual Systemic Role Societal Governmental	Individual Systemic Role Governmental Societal

Figure 4: New Zealand's Classification According to Pre-Theory

Chapter III. Research Background

1. Country Characteristics of Australia and New Zealand

Australia and New Zealand resemble each other in many aspects with various common characteristics that may influence their foreign policy. To begin with, the two countries share a common history of British colonization. The British colonization of Australia began with the colony of New South Wales in 1788 while New Zealand became a British colony in 1840. This common legacy of British colonialism has resulted in both countries having close political, economic, and cultural affiliations with each other and with Britain. The two countries are both English-speaking countries with a majority of their population having British ethnic origins and a minority group of indigenous population in each of their multicultural populations. Their common affiliation with Britain is also reflected with the presence of the Union Jack in the flags of both countries.

The political system of Australia and New Zealand are also similar as both are constitutional monarchies and parliamentary democracies based on the Westminster system of government and common law. Following their legacy of British colonialism, both countries have been and remain members of the Commonwealth. As such, the British monarch, King Charles III, is the head of state of both countries and is represented by a governor-general in each country. The prime minister is the head of government in both countries. As strong parliamentary democracies, they are committed open and free press, universal human rights, free trade, and other liberal values with both rated being rated as full democracies by the

Economist Intelligence Unit in 2021.⁵⁶

Geographically, both countries are continent or island nations closely located ‘down under’ in the South Pacific and do not share physical borders with any other country. The two countries also benefit from rich endowments of natural resources. Australia makes the most of its remarkably abundant natural resource as a leading exporter of minerals and energy resources such as iron, gold, copper, coal, and natural gas. Similarly, New Zealand has a stable source of geothermal energy with extensive resources of coal and lignite and other resources of gold, silver, and iron.

Thanks to a strong primary sector based on these resources and investment of resource revenues on the tertiary sector, Australia and New Zealand have both been classified as advanced economies by the IMF.⁵⁷ The economies of the two countries are also dependent on dairy and agricultural products as main exports and substantial number of migrants for its labor force.

Furthermore, the common interest of the two countries in shared prosperity led to the promotion of close social and economic integration on an unparalleled level. The Trans-Tasman Travel Arrangements of 1973 granted freedom of travel to citizens of both countries allowing Australians and New Zealanders to freely visit, live, and work in either country. The initiation of the first travel bubble ever between the two countries in April 2021 further illustrates the level of close social interchange. Similarly, the Australia-New Zealand Closer Economic Relations Trade Agreement of 1983 fostered bilateral economic integration which was advanced intensively by

⁵⁶ “Democracy Index 2021: The China Challenge,” Economist Intelligence Unit, February 15, 2022, https://www.eiu.com/n/campaigns/democracy-index-2021/#mktoForm_anchor.

⁵⁷ “Fiscal Monitor,” the International Monetary Fund, accessed November 21, 2022, <https://www.imf.org/en/Publications/FM/Issues/2022/10/09/fiscal-monitor-october-22>.

the Single Economic Market agenda which sought to reduce discrimination and lower business costs by eradicating duplicate regulations or institutions.

Consequently, Australia remains New Zealand's second largest trading partner while New Zealand is Australia's eighth largest trading partner.⁵⁸ The largest trading partner of both Australia and New Zealand is China. Australia's exports to China in 2021 exceeded the sum of its exports to the seven next largest trading partners. Likewise, New Zealand's exports to China exceeded the sum of its exports to the two next largest trading partners of Australia and the U.S.⁵⁹

2. Foreign Policy Orientations of Australia and New Zealand

In view of the resemblances between Australia and New Zealand and the discussion on foreign policy determinants, one may argue that the two countries possess similar factors and expect similar foreign policy from the two countries. Indeed, the foreign policies of Australia and New Zealand do resemble each other quite significantly. The two countries show the same regional orientation in their foreign policy mainly concentrating on the Asia-Pacific as both engage proactively with ASEAN and Pacific island countries. Consequently, eleven of Australia's and ten of New Zealand's top fifteen trading partners are located in Asia as both countries have signed free trade agreements with East Asian countries and the ASEAN

⁵⁸ "New Zealand Country Brief," Australian Government Department of Foreign Affairs and Trade, accessed November 21, 2022, <https://www.dfat.gov.au/geo/new-zealand/new-zealand-country-brief>; "Australia's Trade in Goods and Services 2020-21," Australian Government Department of Foreign Affairs and Trade, accessed November 21, 2022, <https://www.dfat.gov.au/trade/trade-and-investment-data-information-and-publications/trade-statistics/trade-in-goods-and-services/australias-trade-goods-and-services-2020-21>.

⁵⁹ Ibid.; "New Zealand-China Free Trade Agreement," New Zealand Ministry of Foreign Affairs and Trade, accessed November 21, 2022, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/nz-china-free-trade-agreement/overview/>.

member states.⁶⁰

Likewise, Australia and New Zealand's orientation towards the Pacific islands in their foreign policy is only natural given their close geographical location. It is best reflected in their foreign policy initiatives of Australia's Pacific Step-Up in 2016 and New Zealand's Pacific Reset in 2018 in which both countries sought to engage Pacific island countries through economic aid and investment. The two countries are also involved in multilateral initiatives with the Pacific island countries such as the Pacific Islands Forum and the Pacific Community. Australia and New Zealand's proactive reaction to the crises in East Timor in 1999 and 2006 is another example of their foreign policy's Pacific orientation.

Such trend of similarity continued in the two countries' bilateral relations with China as both maintained significant economic relations with China. With the China-Australia Free Trade Agreement signed in 2015, China was responsible for 38 percent of Australia's overall trade in 2019.⁶¹ New Zealand's FTA with China was signed in 2008 with bilateral trade taking up 28 percent New Zealand's total trade volume.⁶² The two countries also joined the China-initiated Asian Infrastructure Investment Bank early in 2015.

Such similarity in foreign policy orientation is also evident in their security policies as the two countries maintain close security relations with the U.S. The year

⁶⁰ Australian Government, "Australia's Trade"; "New Zealand Trade Balance, Exports and Imports by Country," World Integrated Trade Solution, accessed November 22, 2022, <https://wits.worldbank.org/CountryProfile/en/Country/NZL/Year/2019/TradeFlow/EXPIMP/Partner/by-country>.

⁶¹ "China Country Brief," Australian Government Department of Foreign Affairs and Trade, accessed November 22, 2022, <https://www.dfat.gov.au/geo/china/china-country-brief>.

⁶² "Key Facts on New Zealand-China Trade," New Zealand Ministry of Foreign Affairs and Trade, accessed November 22, 2022, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/nz-china-free-trade-agreement/key-facts-on-new-zealand-china-trade/>.

2021 celebrated seventy years of the ANZUS Treaty. With the ANZUS Treaty and the new AUKUS agreement, Australia stands as one of the most formidable allies of the U.S. in the Indo-Pacific with growing military cooperation.

While New Zealand's security cooperation with the U.S. took a downturn in 1986 when its nuclear-free policy suspended the application of the ANZUS Treaty to New Zealand, it lifted the ban on U.S. navy vessels in 2012. Following New Zealand's participation in the Iraq and Afghanistan Wars and the Wellington Declaration of 2010 and the Washington Declaration of 2012, New Zealand has been renewing its security partnership with the U.S. by increasing military exchanges and participating in joint military exercises. As such, the two countries maintain substantial security cooperation with the U.S. as key security partners in the region.

In addition to bilateral security relations, Australia and New Zealand are members of various multilateral security initiatives and partnerships. They form the Five Eyes intelligence alliance together with the U.S., the U.K. and Canada. Australia and New Zealand also participate in other security partnerships with the Five Eyes member states which include the ABCANZ Armies Program, the Air Force Interoperability Council, the Technical Cooperation Program, and the AUSCANNZUKUS Naval C4 Organization all of which are aimed at increasing the standardization and interoperability among the militaries of member states. In addition to being NATO's Asia-Pacific Four (AP4) partners, Australia and New Zealand also maintain security cooperation with Britain and the Commonwealth member states through the Five Power Defense Arrangements and the Fincastle Competition as well as other various miscellaneous joint military exercises.

Furthermore, the two countries have historically shown congruence in their involvement in military conflicts. Australia and New Zealand fought together with

Britain and the Commonwealth as Australian and New Zealand Army Corps (ANZAC) in regional and international conflicts in both World Wars and the Korean War. Australia and New Zealand also participated in conflicts independent of British involvement in the Vietnam War where Australian and New Zealand troops fought alongside each other and the 2006 East Timor Crisis in which Australia and New Zealand both sent troops to peacekeeping operations in East Timor. Australia and New Zealand remains allies through the ANZUS Treaty and Closer Defense Relations with the continuation of the ANZAC tradition as both countries celebrate ANZAC day as a National Day of Remembrance. As seen, such coinciding policies reflect significant overlaps in the security strategies and national security interests of Australia and New Zealand.

3. Common Interest for Multilateralism

Furthermore, Australia and New Zealand both show strong commitment for the liberal international order and multilateralism. As members of most major international organizations, both countries are committed to universal human rights, international peace, and prosperity. They are also avid proponents of global free trade and members of the World Trade Organization, the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The shared preference of the two countries for multilateralism derives from their status as non-great powers. Unlike great powers such as the United States and China who have the power to pursue unilateral foreign policy and be able to endure the consequences, small and middle powers that form the vast majority of the

international system do not enjoy such privileges. Following Robert Dahl's definition, a country has power over another country to the extent that it would cause the other country to do something it would otherwise not have done.⁶³ In this respect, Australia and New Zealand as non-great powers or small and middle powers inherently lack such power unlike great powers who can exert various forms of power to alter the behavior of other states and gain preferred outcomes.

However, multilateralism in a stable international order founded on rules and rights instead of power and force promotes not only stability, but also free and open international trade and protection from great-power coercion. Therefore, multilateral diplomacy through regional and international organizations and initiatives enables non-great powers to overcome the imbalance of power to a certain extent. In this regard, the orientation of small and middle powers towards the liberal international order and multilateralism would only be natural to secure the most favorable environment for the pursuit of national interests without the power to unilaterally shape international relations to their advantage.

As such, small and middle powers have sought to minimize the damage of the U.S.-China competition to the current liberal international order through multilateral diplomacy. Multilateral diplomacy allowed these non-great powers to simultaneously engage the U.S. and China while seeking joint interests and manage challenges arising from China's rise through multilateral cooperation. Therefore, non-great powers were able to hedge, balance or bandwagon against the U.S. and China powers by increasing partnerships with other countries and thereby exercise greater autonomy in attempting to prevent the discord between the U.S. and China

⁶³ Robert A. Dahl, "The Concept of Power," *Behavioral Science* 2, no. 3 (1957): pp. 201-215, <https://doi.org/10.1002/bs.3830020303>, 202-203.

from disrupting the liberal international order and its gifts of free trade, international law, and institutions.

In the context of the U.S.-China competition, two factors prompted the shift to multilateralism by making it difficult for small and middle powers to maintain good relations with both the U.S. and China. Firstly, China's rise created challenges that threatened to reduce the autonomy of non-great powers. Following its economic reform in 1978, China's rapid economic growth has benefited its trading partners with generous trade surpluses emanating from China's massive domestic market. However, China's economic growth and subsequent increase in economic and military hard power have also led to an assertive diplomatic strategy that shows relatively less regard for amicable relations with other nations and international law.

For instance, China responded to South Korea's deployment of the THAAD system and Australia's call for an investigation into the origins of COVID-19 with extensive economic retaliations. China has also been asserting its claims in territorial disputes in the South China Sea against the ruling of the Permanent Court of Arbitration in 2016. Since 2013, China's construction of artificial islands amounts up to 3,200 acres in the Spratly Islands with increased military presence in region.⁶⁴ This has been compounded by aggressive and even belligerent rhetoric of 'wolf warrior diplomacy' by Chinese diplomats.

⁶⁴ "China Island Tracker," Asia Maritime Transparency Initiative (Center for Strategic and International Studies), accessed November 12, 2022, <https://amti.csis.org/island-tracker/china/>.

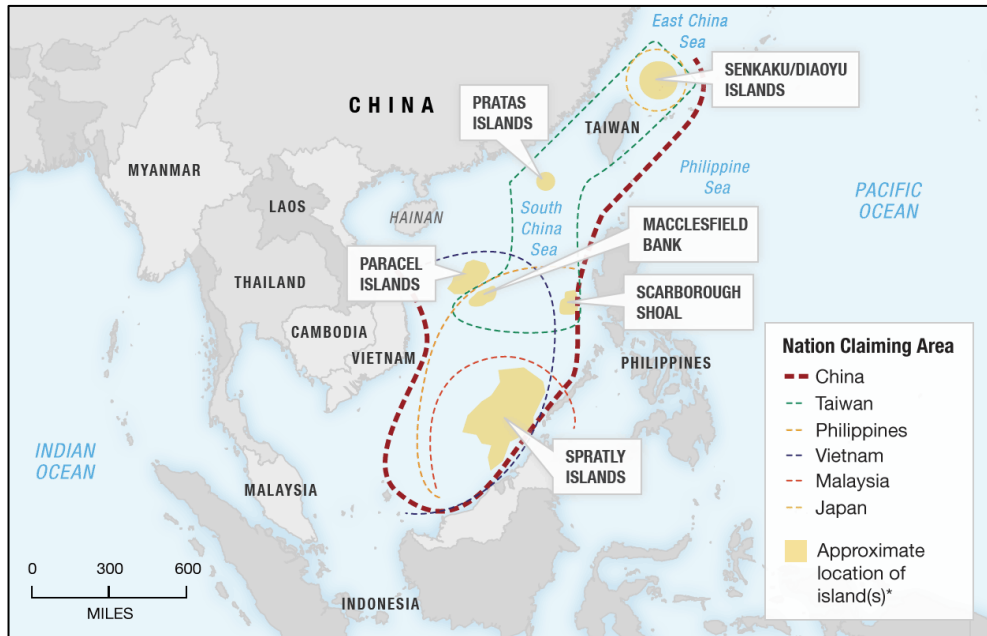


Figure 5: Map of Territorial Claims in the South and East China Seas⁶⁵

This combination of economic coercion and assertive diplomacy has raised alarms particularly among liberal democracies whose political system and advocacy of liberal values are not compatible with the authoritarian regimes of China and, additionally, Russia whose relationship with China has been deepening. Liberal democracies cannot help but be especially wary of an international order of ‘might makes right’ and greater exposure to coercion from authoritarian states. One does not have to think hard to know who would benefit from a power-based order in which authoritarian states act with no regard for international law and, consequently, why small and middle powers are committed to a rules-based order. This is exacerbated by the fact that both China and Russia are nuclear states. Thus, when reflecting on

⁶⁵ Katie Park, *National Public Radio*, April 13, 2016, <https://www.npr.org/sections/parallels/2016/04/13/472711435/a-primer-on-the-complicated-battle-for-the-south-china-sea>.

the aforementioned ‘wolf warrior diplomacy,’ China’s policies in Hong Kong and Xinjiang and Russia’s invasions of Ukraine and Georgia, it would be crucial that non-great powers preserve what protection the liberal international order provides.

Another factor was the retreat of the U.S. from global leadership during the presidency of Donald Trump. Considering that many liberal democracies are traditional allies of the U.S., the absence of Washington’s international leadership explains another aspect of the shift to multilateralism during the U.S.-China competition. With the beginning of his presidency in January 2017, President Trump put his rhetoric of “America First” into practice by unilaterally withdrawing from various international agreements and organizations. The list includes withdrawals from the Paris Agreement and the World Health Organization and crippling the WTO Appellate Body by blocking the appointment of new members. Security partnerships such as NATO and the ROK-U.S. alliance were also targeted as allies were compelled to step up their alliance burden-sharing by substantial levels.

Trump’s doctrine of withdrawal which explicitly prioritizes American interests was a more serious challenge to the liberal international order than China’s rise. Unlike China, the United States had been at the forefront of the rules-based international order after the Second World War despite heavy political, economic, and human costs. Therefore, its unilateral withdrawals from international agreements and organizations raised unpredictability and unreliability issues in its foreign policy with questions on its commitment to the liberal international order it had been leading for decades.⁶⁶

⁶⁶ Catherine Amirfar and Ashika Singh, “The Trump Administration and the ‘Unmaking’ of International Agreements,” *Harvard International Law Journal* 59, no. 2 (2018): pp. 443-459, 443; Richard Haass, “Trump’s Foreign Policy Doctrine? The Withdrawal Doctrine,” Council on Foreign Relations, May 20, 2020, <https://www.cfr.org/article/trumps-foreign->

Date	Treaty / Organization	Current Status in Nov. 2022
January 2017	Trans-Pacific Partnership	CPTPP signed in March 2018 without US participation
May 2017	NAFTA	USMCA signed in October 2018
June 2017	Paris Climate Accords	Rejoined in January 2021 by the Biden administration
October 2017	UNESCO	Not a member
May 2018	Iran Nuclear Deal	Not a member
June 2018	UN Human Rights Council	Rejoined in October 2021 by the Biden administration
August 2018	UNRWA	Funding restored in April 2021 by the Biden administration
October 2018	Universal Postal Union	Withdrawal reversed in September 2019
October 2018	Intermediate-Range Nuclear Forces Treaty	Not a member
April 2019	Arms Trade Treaty	Not a member
July 2020	WHO	Rejoined in January 2021 by the Biden administration
November 2020	Treaty on Open Skies	Not a member

Table 1: Trump Administration's Withdrawals from International Treaties and Organizations (By author)

Despite the succeeding Biden administration's declaration that "America is back," its new efforts at multilateral diplomacy such as the Indo-Pacific Economic Framework and reinforcing alliances, the damage to American leadership has not been restored yet. Although the Biden administration has rejoined several international agreements and institutions, uncertainty on American commitment remains with the lack of congressional approval on various treaties and organizations and seeming protectionist policies such as the Inflation Reduction Act. Its security partners have also realized the fear of abandonment as its possibility means more

than a mere chance as leaders like Trump may reappear in the future with changes in U.S. political leadership, putting the allies in need of a backup plan against alliance abandonment.

Moreover, the Trump administration's confrontational agenda toward China and its continuation by the Biden administration further pushed small and middle powers toward multilateralism. Although these states did share the U.S.' concern on China's model of authoritarian governance, state capitalist economy and its challenge of the liberal international order, they did not choose to openly confront and "decouple" from China. This reflects the level of caution taken by non-great powers in plainly taking a side in great power competition which would upset the necessary stability of the international system.

Equally important is the vast amount of trade generated by economic relations with China. As the liberal international order and free trade governed by the WTO benefited both China and the rest of the world, it is in the best interest of small and middle powers to preserve both the U.S.-led liberal international order and beneficial economic relations with China. In this regard, U.S. allies have been careful to avoid being drawn into the U.S. efforts in its competition against China.

In all, multilateralism presented an ideal and pragmatic policy choice to both Australia and New Zealand given their geopolitical location in the Asia-Pacific where states have felt greater pressure between the U.S. and China with China's growing assertiveness and the pullback of America's international leadership. This created the need for small and middle powers to act against China's rise through multilateral diplomacy as they lack the power to respond unilaterally and to fill in the gap left by the withdrawal of the U.S. Furthermore, Australia and New Zealand had incentives to promote multilateralism as non-great powers and as liberal

democratic allies of the U.S. who share a common commitment to a liberal rules-based international order and multilateralism as the fundamental principle of international relations.

As outlined in this section, the similarities between Australia and New Zealand goes beyond their geographical, demographical, and social characteristics. The two countries have historically shown and still show comparable foreign policy orientations while maintaining close relations with each other. This illustrates that the two countries share similar national interests and that their foreign policies are affected by external factors in a similar manner. While it is true that the two countries are not identical in every aspect with differences in the size of their population, land, and economy, their military powers or their distance to the closest neighboring country, their differences are minimal compared to their multidimensional parallels.

Chapter IV. History of Australia and New Zealand's Relations with China

Considering the salient level of resemblance between the two countries, the foreign policies of Australia and New Zealand may be seen to be set on a similar trajectory. When also considering their significant volume of trade with China, one may even reach the conclusion that the two countries' foreign policy toward China would also resemble each other. Thus, the following sections will examine the history of Australia and New Zealand's relations with China for trends and differences in their past China policies.

1. Australia

1.1 Initial Relations and Beginning of Engagement, 1949 - 1983

Australia's relations with China after the founding of the People's Republic of China in 1949 was initially guided by caution and hostility. The conservative Liberal government under Robert Menzies assumed office in December 1949 only two months after Mao Zedong's proclamation of the People's Republic of China on October 1, 1949. Since then, the foreign policy of the Menzies government had been openly opposed to communism and oriented towards stronger alliances during the Cold War.⁶⁷ The fear of communist expansion in Asia was a key factor that prompted Australia's involvement in the Vietnam War as Menzies tried to curve the influence

⁶⁷ Sandra K Penrose, "Recognising the People's Republic of China: A Reappraisal of Australian Foreign Policy During the First Menzies Ministry 1950-51," *Australian Journal of Politics and History* 44, no. 2 (1998): pp.209-224, 209.

of Chinese communism with some historians even labelling the Vietnam War as “Menzies’ War.”⁶⁸

Following the Menzies government’s non-recognition of the People’s Republic of China, the succeeding Liberal prime ministers followed suit in not establishing formal relations with China. But despite the absence of official relations, Australia retained trade relations with the most prominent example being its continued wheat imports to China during extreme famines during the Great Leap Forward and the Cultural Revolution despite U.S. opposition during the McEwen’s Country government. Furthermore, William McMahon proposed that small-scale cultural exchanges with China be expanded into ‘semi-official arrangements’ in visa permits and visits by sports teams and journalists.⁶⁹ Nevertheless, Australia remained cautious as McMahon argued that China’s UN membership come after its assurance to give up the use of force or guerilla operations in other countries.⁷⁰

But Australia-China relations took a dramatic turn when Gough Whitlam became prime minister in 1972 as the head of the Labor Government. Prior to assuming prime ministership, Whitlam had visited China in 1971 as leader of the opposition which was a few days before Kissinger’s visit to Beijing. Then, Whitlam announced that Australia would recognize the People’s Republic of China 16 days after taking office on December 21, 1972 and became the first Australian prime minister to visit China in 1973.

Whitlam’s engagement with China was based on his belief that it was in

⁶⁸ Garry Woodard, “Australia’s War in Vietnam: Debate without End,” *Australian Journal of International Affairs* 71, no. 2 (2017): pp. 216-230.

⁶⁹ Fred Daly, *From Curtin to Kerr* (Melbourne: Sun Books, 1977), 277.

⁷⁰ Edmund S. K Fung, “Australia’s China Policy in Tatters 1971-72,” *The Australian Journal of Chinese Affairs* 10 (July 1983): pp. 39-59, 42.

Australia's best interests and that China was no longer the 'red' threat. Whitlam argued that China showed respect for equality among states and the rights of small and middle powers. Thus, he hoped that, by raising Australia's China relations to the level of its relations with other major powers, Australia would be able to maximize its "own independence of the major powers."⁷¹ In other words, Whitlam wanted to shift Australia's North Atlantic diplomatic orientation to the Asia-Pacific. Furthermore, Australia's need for new markets coincided with China's need for materials for economic development and industrialization.

Surprisingly, Whitlam's legacy of engagement was continued by the succeeding Liberal government under Malcolm Fraser. Such continuation of policy was unanticipated given Fraser's negative assessment of détente and his denouncing of Whitlam's visit to China in 1971 as "disgrace to Australia."⁷² However, his interpretation of international relations coincided with Australia's need to cooperate with China. Following the U.S. defeat in Vietnam, Fraser believed that Australia and China had shared interests in countering the Soviet influence in the Indian and Pacific which posed a threat to Australia. This led to Fraser calling China a "de facto ally" of Australia and the U.S. and proposing a pact among the four countries of Australia, Japan, the U.S., and China.⁷³ This resulted in Fraser's visit to China in 1976 followed by Chinese vice premier Li Xiannian's visit to Australia in 1980.

It is interesting to note that economic interests were not the main drivers of Australia's engagement with China during the early years of Australia-China

⁷¹ James Curran, *Australia's China Odyssey: From Euphoria to Fear* (New South Publishing, 2022), 35.

⁷² Graham Freudenberg, *A Certain Grandeur: Gough Whitlam in Politics* (Melbourne: Macmillan, 1977), 212-213.

⁷³ Philip Ayres, *Malcolm Fraser: A Biography* (Melbourne: Heinemann, 1987), 337; Curran, *Australia's China Odyssey*, 44-46.

relations. Economic incentives, while present in the list of Australia's goals, were outweighed by political and diplomatic motives. Whitlam wanted a regional partner in shifting Australia's regional orientation according to its geopolitical interests while Fraser sought to balance against growing Soviet ambitions in the region. But upon closer examination, the continued engagement notwithstanding the change of government shows that Whitlam and Fraser both followed a middle power strategy in seeking independent foreign policy by working with partner countries and responding to changes in the international system based on the perception that China was more of a partner for cooperation than a threat.

1.2 Deepening Economic Relations, 1983 - 2007

But it did not take long for economic interests to play a central role in Australia-China relations as Deng Xiaoping's economic reforms in the late 1970s created new opportunities for Australia. Thus, when Labor's Bob Hawke became prime minister in 1983, his view of the Asia-Pacific as the new location of geopolitical and economic importance and close personal relations with important figures in the Chinese leadership opened a new chapter in Australia's economic relations with China. Hawke's visits to China in 1984 and 1986 were reciprocated by visits of Chinese leadership to Australia with increasing interchanges leading to greater economic gains. With the beginning of the iron ore trade between Australia and China, bilateral trade reached \$1 billion in 1984 from \$158 million in 1973. As such, China had become the third largest export destination of Australia by the mid-

1980s. The growth of bilateral economic relations continued after Paul Keating became prime minister in 1991 with bilateral trade reaching \$5.7 billion in 1994.⁷⁴

However, the Liberal governments of Hawke and Keating faced difficulties in managing their China relations. The Hawke government was faced with China's crackdown on demonstrators in the Tiananmen Square in 1989 while the Keating government faced an alarming growth of Chinese military spending and nationalist diplomacy. But these events had no lasting effect on Australia's economic relations with China as relations were normalized under the Hawke government two years after Tiananmen Square following short suspensions of ministerial visits, aid plans, and loans. The Keating government responded similarly through a dual approach by attempting to integrate China into multilateral trade frameworks and the Australian market.⁷⁵

Likewise, the Liberal government under John Howard faced the 1996 Taiwan Strait Crisis shortly after it was elected. Australia's immediate support for the U.S. response with carrier battle groups compounded by Howard's meeting with the Dalai Lama, protest over China's nuclear test, and increased exchanges with Taiwan quickly froze the bilateral relations between Australia and China. It came down to a point where China banned ministerial visits from Australia. But tensions were eased after a few months when Howard met Jiang Zemin at an APEC meeting in Manila in November 1996.

In his meeting with Jiang Zemin, Howard proposed that the two countries focus on their mutual interests and prioritize their economic relationship over political and ideological differences. This strategy of compartmentalizing shared

⁷⁴ Ibid., 59, 83, 102,

⁷⁵ Ibid., 97, 102.

interests over disagreements on human rights and democratization allowed Australia and China to avoid barriers to collaboration.⁷⁶ This allowed Howard's Liberal government to advance Australia's relationship with China by becoming the first 'Western' country to establish annual strategic talks with China and supporting China's 'market economy status' in the WTO to begin FTA negotiations.⁷⁷

As such, Australia-China relations blossomed under the Howard government especially in economic terms. In his fourth trip to China in 2002, Howard was able to secure a \$25 billion contract of LNG which was Australia's largest trade agreement at the time. Consequently, China had become Australia's largest trading partner by the time Howard left office in 2007 as Australia's trade with China had grown by 526 percent during Howard's term.⁷⁸

The years of burgeoning trade and economic relations were made possible by the pragmatic approach taken by both Labor and Liberal governments under Hawke, Keating, and Howard. As was during the early years of engagement, Australia's China policy with a focus on economic interests withheld changes in government. This was possible even as the three governments each faced pressures in their China relations because all three governments separated the issues of human rights and democratization from trade and investment. The strategy of 'compartmentalization' was, in turn, made possible by the belief that China was on a path to further changes and a peaceful rise.

⁷⁶ Nick Bisley, "Australia's Engagement with China," *International Journal* 73, no. 3 (September 2018): pp. 379-398, 384.

⁷⁷ Curran, *Australia's China Odyssey*, 132; Jian Zhang, "Australia and China: Towards a Strategic Partnership?," in *Trading on Alliance Security: Australia in World Affairs 2001-06*, ed. James Cotton and John Ravenhill (Melbourne: Oxford University Press, 2007), 104-106.

⁷⁸ Curran, *Australia's China Odyssey*, 114.

During the years of growing economic interdependence, the early years of China's economic reform raised hopes for China's democratization while China's international posture of peaceful rise presented China as a partner compatible in the liberal international order. For Bob Hawke, it was his personal relations with Hu Yaobang, then party secretary, and Zhao Ziyang, then premier, who were proponents of political reform, open media, and a reduction of the CCP's central role.⁷⁹ Thus, despite Hu's death and Zhao's downfall after Tiananmen Square, the economic liberalization led by reformist leaders had ushered in hopes for democratization and change in China. Such hopes for further changes also prompted the Keating government's efforts to incorporate China into multilateral frameworks.

Such hopes had quite rescinded by Howard's term. However, China's emphasis on its peaceful rise were seen to be affirmed by its actions on the international stage. Its economic policies were market-oriented and focused on development while showing willingness to comply with international norms. Furthermore, it had been increasing its role in multilateral diplomacy in the Shanghai Cooperation Organization, the East Asia Summit, and the Six-Party Talks. David Shambaugh even observed that "China's reputation in the world has never been better."⁸⁰

Hence, the governments under Hawke, Keating, and Howard were able to dismiss the idea of the 'China threat' and justify their policy of economic prioritization on such notions. Moreover, although concerns on China's military spending and assertive diplomacy in the South China Sea had begun to appear during

⁷⁹ Richard McGregor, *The Party: The Secret World of China's Communist Rulers* (London: Penguin, 2012), 36.

⁸⁰ David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security* 29, no. 3 (2005): pp. 64-99, 66.

this period, Australian perception of China remained generally positive with a 2006 polling showing that 69 percent of Australians viewed China favorably. This became the support base for the government's China policies with China showing commitment for multilateralism and international institutions. Furthermore, continued efforts to integrate China into the WTO, APEC, and the ASEAN Regional Forum show a continuation of a middle power strategy given that incentives from economic cooperation were judged to be more important than potential threats.

1.3 Mixed Approaches and Beginning of Tensions, 2007 - 2015

Howard's Liberal government was succeeded by Kevin Rudd and Julia Gillard's Labor governments and later by a Liberal government under Tony Abbott all of whom deviated from the China policies of previous governments. Kevin Rudd broke away from the tradition of not addressing sensitive differences with China. Few months after he became prime minister, Rudd pointed out Chinese crackdown in Tibet during his first visit to China and raised concerns on China's human rights abuses in other occasions as well as making a statement on the twentieth anniversary of Tiananmen Square. Naturally, Rudd's comment on Tibet outraged Wen Jiabao while generating public attacks from the Chinese government.⁸¹

Rudd also invoked the 'China threat' in the 2009 Defense White Paper which raised the need for submarines and included war plans in the Taiwan Strait that defined China as a 'strategic risk.' It was also revealed that he identified himself as a 'brutal realist' on China to then U.S. Secretary of State Clinton and talked for the necessity of a Plan B to deploy forces if China became hostile.

⁸¹ Curran, *Australia's China Odyssey*, 153.

Julia Gillard attempted to repair Rudd's damages to Australia-China relations after replacing him as prime minister in 2010. To do so, the Gillard government signed a strategic partnership with China in 2013 and explicitly stated that China was not an adversary in the 2013 Defense White Paper. But in showing conformity to the Obama's administration's Pivot to Asia, Gillard agreed in 2011 to station a rotational force of U.S. marines in Darwin.

Abbott's Liberal government also took a mixed foreign policy approach surprisingly similar to the Labor governments of Rudd and Gillard by continuing to economically engage China while openly expressing disagreements. For instance, Abbott took a pro-Japan stance on Japan's territorial conflicts with China in the East China Sea by demanding an explanation from the Chinese ambassador to Australia on China's "unilateral decision to declare an expanded air defense zone over disputed waters and islands claimed by both Japan and China."⁸² But Abbott also concluded Australia's free trade agreement with China in 2014 and even accepted China's invitation to join the AIIB in 2015 despite personal lobbying of Barack Obama and John Kerry.

However, although the Labor governments of Rudd and Gillard and the Liberal government of Abbott may seem to be pursuing similar strategies of balancing between engaging and containing China, they held different policy motives. Firstly, Rudd and Gillard faced political motives to demonstrate their commitment to Australia's alliance with the U.S. given their Liberal political backgrounds. Prior to Rudd's assuming office, John Howard had defamed the Australian Labor Party's ability and commitment to national security and alliance

⁸² David S. G Goodman, "Australia and the China Threat: Managing Ambiguity," *The Pacific Review* 30, no. 5 (2017): pp. 769-782, 778.

management.⁸³ When also considering Rudd's experiences as a diplomat in China and his China expertise, it was important for Rudd to refute Howard's claims by distancing himself from being perceived as pro-China and portraying himself as being dedicated to the alliance with the United States. Gillard faced similar motives to offset her lack of experience in foreign policy and previous experience as former member of the ALP's Socialist Left faction which included former communists and called for an end of Australia's alliance with the U.S.⁸⁴ Therefore, the Liberal governments' shift from economic engagement with China and closer alignment with the U.S. can be explained by personal political motives.

On the other hand, Abbott did not face such political motives. Abbott's China policy was rather driven by 'fear and greed' as he put it in his meeting with then German Chancellor Angela Merkel. As many members of his government had served ministerial roles in the Howard government, Abbott aimed to pursue the Howard government's strategy of seeking mutual interests.⁸⁵ But Abbott's time in office saw a tilt towards 'fear' as concerns on China's assertiveness began to outgrow economic gains from trade with China following the beginning of Xi Jinping's presidency in November 2012 only months before Abbott became prime minister.

China's abandonment of Deng's 'hide your strength and bide your time' could be felt as early as late-2000s. China's assertive diplomatic rhetoric were beginning to be heard as was in an ASEAN meeting in 2010 where Yang Jiechi stated that the interests of big states were more important than those of small states. Furthermore, as alarming as China's increasing military spending was, China had

⁸³ Curran, *Australia's China Odyssey*, 147.

⁸⁴ *Ibid.*, 176.

⁸⁵ Bisley, "Australia's Engagement with China," 387.

begun land reclamation programs in the disputed South China Sea with more than 3,000 acres being created.⁸⁶ This was compounded by Xi's coming to power in 2012. Accordingly, the changing international political landscape was proving to be difficult for the Abbott government to pursue the same strategy as the Howard government 17 years ago. Hence, by aligning Australia with the U.S. and Japan, Abbott had shown that if it came down to choosing, Australia would prioritize strategic concerns over economic gains.

Nevertheless, Australia-China relations went through significant developments in each government with continued economic cooperation throughout the discussed years. But it has to be noted that a major upturn of Australian public opinion on China took place during this period despite the fact that Australia during the years of Rudd, Gillard, and Abbott did not experience major conflicts with China. By 2010, 69 percent of Australians held fears of China, a stark change in four years as the same percentage of Australians had held favorable views of China in 2006.⁸⁷ As such, tensions began to exist between Australia and China as a result of China's growing assertiveness and Australia's strategy of pushback against China.

1.4 Direct Confrontations, 2015 – Present (January 2023)

When Liberal Party's Malcolm Turnbull became prime minister in 2015, Xi Jinping had already been in power for three years. China under Xi had begun militarizing the South China Sea with anti-ship missiles and bombers and expanding the Belt and Road Initiative. The Chinese Communist Party's constitution was

⁸⁶ Ibid., 388.

⁸⁷ Andrew Shearer, "Sweet and Sour: Australian Public Attitudes towards China," *Lowy Institute for International Policy Analysis Paper*, August 2010.

amended in 2018 to remove limits on presidential terms. The political and ideological differences between Australia and China were widening.

However, it was revelations of China's interference activities in Australia gave Turnbull the rationale to confront China unlike his predecessors. Prior to assuming office, Turnbull had already been informed of China's espionage campaigns in Australia. He was aware of Chinese intelligence operations on an 'industrial scale' with the hacking of Australia's Parliament House, Chinese funding to political parties and universities, and the activities of the Chinese Communist Party's United Front Work Department.⁸⁸ These raised serious alarms within the Australian government on the possibility of foreign influence in Australia.

The last factor that drove Australia into action was the Dastyari scandal. Sam Dastyari was a Labor Senator who had received money from a Chinese donor who went on to publicly defend China's policy in the South China Sea contradicting the official positions of his party and the Australian government. In response, Turnbull introduced legislations on foreign interference to Parliament in December 2017. Furthermore, he banned the Chinese firms of Huawei and ZTE from participating in Australia's 5G networks in his last week in office.

Tensions that began during the Turnbull government grew into a full-blown conflict in the succeeding Liberal government under Scott Morrison and the Labor government under Anthony Albanese. Australia-China relations began to deteriorate severely in April 2020 when the Morrison government called for an independent investigation on the outbreak of the COVID-19 pandemic in China. This infuriated

⁸⁸ Malcolm Turnbull, *A Bigger Picture* (Melbourne: Hardie Grant Books, 2021), 413; Curran, *Australia's China Odyssey*, 214.

the Chinese leadership who set in motion a series of economic and political pressure of an unprecedented scale on Australia.

In May 2020, China began by imposing an 80.5 percent anti-dumping tariff on Australian barley and a ban on imports of Australian beef. This was followed by a travel warning that discouraged Chinese citizens from visiting and studying in Australia. Subsequent measures were even more severe as China banned imports of Australian coal, timber, and cotton in October, imposed an anti-dumping tariff up to 212.1 percent on Australian wine, and banned Australian lobsters, sugar, copper, and coal in November 2020.⁸⁹ In the same month, China also attempted to politically pressure Australia when a Chinese embassy official handed an Australian political journalist a ‘list of fourteen grievances’ China had against Australia. Twelve days later, Zhao Lijian, spokesman of China’s Foreign Ministry, posted a fake photo of an Australian soldier holding a knife to the throat of an Afghan child asserting Australian war crimes to which Canberra reacted in outrage demanding China’s apology.

Such aggressive and rather coercive policies were not well-received in Australia and reciprocated by equally hardline policies. Australia first responded through joint political pressure via international institutions by targeting China’s territorial disputes and human rights issues. In July 2020, Australia rejected China’s claims in the South China Sea as having no legal basis under international law in a letter to the United Nations while suspending its extradition treaty with Hong Kong

⁸⁹ Kath Sullivan, “China’s List of Sanctions and Tariffs on Australian Trade Is Growing. Here’s What Has Been Hit so Far,” *ABC News*, December 17, 2020, <https://www.abc.net.au/news/2020-12-17/australian-trade-tension-sanctions-china-growing-commodities/12984218>; Su-Lin Tan, “What Happened over the First Year of the China-Australia Trade Dispute?” *South China Morning Post*, October 28, 2020, <https://www.scmp.com/economy/china-economy/article/3107228/china-australia-relations-what-has-happened-over-last-six?module=inline&pgtype=article>.

in the same month.⁹⁰ It also joined 39 countries in addressing concerns on China's human rights abuses in Xinjiang and Tibet at the UN General Assembly. Australia also responded to China's economic retaliation by filing complaints at the WTO over China's tariffs on its barley and wine in December 2020 and June 2021.

Australia's efforts at countering China politically were supplemented by efforts at home to curve China's influence. The keystone was the passing of the Foreign Relations Act in December 2020 which authorized the federal government to reverse treaties and agreements signed by Australian state governments and universities with foreign entities. The Act became the basis on which the Australian government cancelled Victoria state's Belt and Road Initiative-related agreements with China in April 2021. Similarly, the controversial 99-year lease of the Port of Darwin to Landbridge, a Chinese firm, was put under review by the Morrison government in 2021 and when no recommendations against the contract came out of the review, the new Albanese government has been planning another review out of national security concerns.⁹¹

Even more conspicuous was Australia's extensive increase in defense spending and military cooperation with its allies. The most prominent example would be the formation of the AUKUS security partnership with the U.S. and U.K. in September 2021 under which Australia will acquire nuclear-powered submarines

⁹⁰ Andrew Greene, "Australian Government Declares Beijing's South China Sea Claims Illegal in Letter to United Nations," *ABC News*, July 25, 2020, <https://www.abc.net.au/news/2020-07-25/federal-government-joins-rejects-china-maritime-claims-at-un/12492070>; Kirsty Needham, "Angering China, Australia Suspends Extradition Treaty with Hong Kong, Extends Visas," *Reuters*, July 9, 2020, <https://www.reuters.com/article/us-hongkong-protests-australia-idUSKBN24A0E8>.

⁹¹ Jano Gibson, "Darwin Port Review Will Examine Potential 'Impropriety' in Lease to Chinese-Owned Firm Landbridge, Labor MP Says," *ABC News*, August 23, 2022, <https://www.abc.net.au/news/2022-08-23/nt-darwin-port-review-any-impropriety-chinese-company-landbridge/101361408>.

with technical assistance from its partners. But even before the formation of AUKUS, Australia had announced in July 2020 that it will increase its defense spending by 40 percent over the next decade which included the purchase of AGM-158C long-range anti-ship missiles with a range of 370 kilometers.⁹² Yet, just after only nine months, Australia revealed plans to spend an additional 580 million dollars on upgrading its northern military bases and expanding joint military exercises with the U.S. in April 2021.⁹³ Such military buildup continued into 2022 as the Australian government approved 3.5 billion dollars for the acquisition of JASSM-ER missiles with a range of 900 km for its air force and NSM missiles and maritime mines for its navy in April 2022.⁹⁴ As of November 2022, Australia's most recent military acquisition includes 40 Black Hawk helicopters at 1.95 billion dollars and a plan under review for three new Air Warfare Destroyers.⁹⁵ As such, Australia has been focused on long-range weapon systems and infrastructure for enhanced military capabilities.

Lastly, Australia has also been making its own independent diplomatic efforts against China. It was the fourth country to diplomatically boycott the Beijing Winter Olympics. Furthermore, when China signed a security pact with the Solomon

⁹² Ben Westcott, "Australia Announces \$186 Billion in Defense Spending amid Rising Tensions in the Indo-Pacific," *CNN*, January 2020, <https://edition.cnn.com/2020/07/01/australia/australia-china-defense-spending-morrison-intl-hnk/index.html>.

⁹³ Renju Jose and Colin Packham, "Targeting Asia-Pacific Defence, Australia to Spend \$580 Mln on Military Upgrades," *Reuters*, April 28, 2021, <https://www.reuters.com/world/asia-pacific/australia-upgrade-military-bases-expand-wargames-with-us-australian-2021-04-27/>.

⁹⁴ "\$3.5 Billion to Accelerate Missile Strike Capabilities for the ADF," Australian Government, April 5, 2022, <https://www.minister.defence.gov.au/media-releases/2022-04-05/35-billion-accelerate-missile-strike-capabilities-adf>.

⁹⁵ Ben Westcott, "US Approves \$1.95 Billion Sale of Black Hawks to Australia," *Bloomberg*, August 26, 2022, <https://www.bloomberg.com/news/articles/2022-08-26/us-approves-1-95-billion-sale-of-black-hawks-to-australia?leadSource=uverify%20wall>; Phillip Coorey and Andrew Tillett, "Spanish Press Albanese to Buy More Destroyers," *The Australian Financial Review*, July 27, 2022, <https://www.afr.com/politics/federal/spanish-press-albanese-to-buy-more-destroyers-20220627-p5awsq>.

Islands in April 2022 followed by Foreign Minister Wang Yi's visit to eight Pacific Islands, Australia proposed its own security pact with Papua New Guinea while its Foreign Minister Penny Wong visited Fiji. As a result, China has indefinitely suspended high-level economic dialogues with Australia, but Australia has continued a comprehensive approach aimed at minimizing the pressure from China.

2. New Zealand

2.1 Initial Relations and Beginning of Engagement, 1949 – 1983

The issue of recognizing the People's Republic of China remained a central issue in New Zealand's initial relations with China. New Zealand had already achieved domestic consensus on recognizing the People's Republic of China by 1956. However, New Zealand maintained its policy of recognizing only Taiwan to support the U.S. policy of not establishing diplomatic relations with China and the trade blockade on China.⁹⁶ This policy was maintained for 23 years by five National and Labour governments.

However, New Zealand's relationship with China was quite different from other countries as it had lifted its embargo on China in 1956 followed by a visit by New Zealand's Ministry of Industry and Commerce official in 1958. In stark contrast to its allies, New Zealand also allowed its citizens to travel to China and vice versa. This in part owes to the existence of the Communist Party of New Zealand (CPNZ). As the CPNZ had officially supported China in 1963 during the Sino-Soviet Split, CPNZ members were invited to China with its leader, Victor Wilcox, even meeting

⁹⁶ Anne-Marie Brady, "New Zealand-China Relations: Common Points and Differences," *New Zealand Journal of Asian Studies* 10, no. 2 (December 2008): pp. 1-20, 4-5.

Mao Zedong on several occasions.⁹⁷ As such, New Zealand maintained a certain level of exchanges with China even before the establishment of official relations.

Therefore, when the U.S. began its détente with China in 1971, New Zealand saw an opportunity for its own establishment of formal relations with China. However, when Holyoake's National government proposed a "two China" approach, it was rejected by both the People's Republic of China and the Republic of China. This resulted in New Zealand establishing diplomatic relations with China only after a new Labour government under the Norman Kirk was elected. As such, New Zealand broke its relations with Taiwan and established official relations with China on December 22, 1972, a day after Australia normalized its relations with China.

Henceforth, New Zealand-China relations experienced a gradual growth politically and economically. Contrary to popular expectations, New Zealand's relations with China in the early years focused primarily on its political aspect rather than the economic. China was still suffering from the consequences of the Cultural Revolution in the early 1970s and the key interest the two countries initially held in common was opposing the increase of Soviet influence in the Asia-Pacific.⁹⁸ Such purpose of the New Zealand-China relations was demonstrated by diplomats of both countries who did not hesitate to label the bilateral relations as being mainly "political."⁹⁹ As testimony to the minor role of trade in the early years of bilateral relations, New Zealand's exports to China was only \$1.7 million in 1971.

⁹⁷ Ibid., 6.

⁹⁸ Anne-Marie Brady, "A Strategic Partnership: New Zealand-China Relations in the Xi Jinping Era and Beyond," in *Small States and the Changing Global Order: New Zealand Faces the Future*, ed. Anne-Marie Brady (Springer, 2019), pp. 127-144, 131.

⁹⁹ John McKinnon, "Breaking the Mould: New Zealand's Relations with China," in *New Zealand in World Affairs 1972-1990*, ed. Bruce Brown (Wellington: University of Wellington Press, 1990), 232.

Economic relations did grow quickly after the establishment of formal relations as China became New Zealand's second largest market in Asia with a tenfold increase in New Zealand's exports to China at \$17.4 million only 18 months after diplomatic recognition.¹⁰⁰ New Zealand also took further steps to increase its economic relationship with China by granting China "developing country" status for trade purposes in 1978. However, the political goal of denying Soviet expansion in the Asia-Pacific remained the main purpose of the relationship as outlined by the second visit of National Prime Minister Muldoon to China in 1980. Muldoon's meeting with Deng Xiaoping during that visit clearly signified the political orientation of the bilateral relations as the meeting centered around discussions of Soviet involvement in Cambodia and the invasion of Afghanistan which was followed by Muldoon's invite for Chinese support in the Pacific to thwart the Soviet Union's ambitions in the region.¹⁰¹

2.2 Increasing Economic Ties under the "Special" and "Pragmatic" Relationships, 1984 –1995

The focus of the New Zealand-China relationship shifted to economic gains when David Lange's Labour government was elected in 1984. As Deng's economic reforms had been taking place in the late 1970s, China's rapid economic growth presented itself as an attractive market for New Zealand. Lange made the most out of this opportunity as, within a year of the Labour government's election, China became New Zealand's sixth largest export market overall, not just in Asia with New

¹⁰⁰ Brady, "A Strategic Partnership," 131.

¹⁰¹ Brady, "New-Zealand China Relations," 10.

Zealand's exports to China growing exponentially to \$298.2 million in 1985.¹⁰² Lange also signed a Science and Technology Cooperation Agreement with China in 1987 designed to provide New Zealand with access to the Chinese market through technology transfers.

The significant growth of economic relations was also accompanied by political and social exchanges. When Hu Yaobang visited New Zealand in 1985, he expressed support for New Zealand's anti-nuclear policy and the South Pacific Nuclear Weapon Free Zone. Political support for New Zealand's foreign policy was also evident in numerous articles in Chinese journals.¹⁰³ New Zealand responded by modifying its migration policies to accommodate Chinese migrants and supporting China's entry into regional and international institutions. Additionally, the Lange government initiated the China Coordinated Programme to increase exchanges across various domains such as academic, political, and cultural, thereby encouraging the New Zealand private sector to enter China.¹⁰⁴ Such reciprocation of engagement created optimistic sentiment for the future growth of bilateral relations as both countries talked of having a "special relationship."

The "special relationship" ended with the protests in the Tiananmen Square in 1989. New Zealand condemned the Chinese government's violent crackdown and faced strong domestic criticisms from thousands of New Zealanders protesting in Wellington and Auckland for the lack of a critical evaluation of New Zealand's differences in its relations with China. Therefore, when a National government under

¹⁰² Brady, "A Strategic Partnership," 132.

¹⁰³ New Zealand Contemporary China Research Centre, "New Zealand's China Policy: Building A Comprehensive Strategic Partnership" (Australia-China Relations Institute, 2015), 18-19; Brady, "New-Zealand China Relations," 12.

¹⁰⁴ New Zealand Contemporary China Research Centre, "New Zealand's China Policy," 16.

Jim Bolger was elected to office in 1990, New Zealand-China relations transformed to a “pragmatic relationship” in which New Zealand chose to concentrate on the practical issues of trade and education. Consequently, New Zealand’s trade and educational exchanges with China grew steadily during the early years of the Bolger government.

An interesting development during this period was the fall of the Soviet Union in 1991 which meant the initial goal of New Zealand-China relations of countering Soviet influence was no longer needed. Hence, with the end of the Cold War, China’s value as an ally against the Soviet Union was reduced as ideological and political differences began to stand out. This resulted in Western countries such as the U.S. and Australia beginning to criticize China on human rights. However, New Zealand maintained a positive stance towards China and based its China policy on the notion that a stable political relationship is required for successful economic relations.¹⁰⁵

New Zealand’s thriving economic relations with China during this period was also based on the belief that China was going to open up and democratize. The open support for New Zealand’s foreign policy from reformist CCP leaders such as Hu Yaobang and Zhao Ziyang during their visits to New Zealand and meetings with New Zealand leaders strengthened such hopes in New Zealand. Furthermore, even after Tiananmen, China abiding by Deng’s dictum had led to New Zealand concluding that China was committed to multilateralism and long-term economic growth.¹⁰⁶ It was even the popular opinion among academic and diplomatic circles after the fall of the Soviet Union that the Communist leadership in China was also

¹⁰⁵ Brady, “New-Zealand China Relations,” 12.

¹⁰⁶ New Zealand Contemporary China Research Centre, “New Zealand’s China Policy,” 16.

going to fall.¹⁰⁷ This gave the New Zealand government the necessary justification to keep engaging China economically without having to overly mind their political and ideological differences as China seemed to show benign motives focused on economic development.

2.3 Consolidation of Economic, Political, and Social Relations, 1995 – 2017

New Zealand continued to advance its economic relations in the following years. Near the end of Jim Bolger's National government, New Zealand had become the first Western country to conclude bilateral agreements on China's accession to the World Trade Organization in 1997. This came at a time when the U.S.-China relations were experiencing tensions due to the President of Taiwan Lee Teng-hui's visit to the U.S. in 1995. However, unlike during the Cold War when New Zealand sought to align its foreign policy with the U.S., New Zealand broke away from the U.S. by further developing its ties with China. During this period, New Zealand-China relations experienced a consolidation of political, economic, and social ties through the stable governments of Labour Helen Clark and National John Key, both of whom were in office for more than eight years.

When Helen Clark's Labour government was elected to office in 1999, New Zealand won a series of diplomatic victories in its relations with China. After reaching consensus on the opposition to the U.S. invasion of Iraq, Clark signed a Comprehensive Cooperative Relationship Agreement and updated the Science and Technology Cooperation Agreement in 2003. New Zealand also became the first

¹⁰⁷ Brady, "New-Zealand China Relations," 14.

country to recognize China as a ‘market economy’ and enter free trade agreements with China in 2004. In the same year, New Zealand’s Ministry of Foreign Affairs and Trade designated New Zealand’s six “bedrock” relationships which added China to the list of Australia, the U.S., Japan, the European Union and the South Pacific Forum nations. The crown jewel of the New Zealand-China FTA was concluded in 2008 making New Zealand the first country to have such as agreement with China.

The trend continued with John Key’s National government elected in 2008. During Key’s time in office, New Zealand’s trade with China doubled to \$20 billion.¹⁰⁸ The scope of the New Zealand-China relations was expanded by the National government under John Key and the succeeding Bill English to include finance, telecommunications, forestry, food safety, climate change, Antarctic cooperation, and even defense to the existing partnerships in trade, education, tourism, and science and technology.¹⁰⁹

Diplomatic efforts to further cooperation with China were taken by initiating the New Zealand-China Strategic Research Alliance in 2010 and a Comprehensive Strategic Partnership in 2014. New Zealand also achieved yet again a few ‘firsts’ by becoming the first Western country to join the AIIB in 2015 and to sign a Memorandum of Agreement on the Belt and Road Initiative in 2017.

The China policy of the National governments under Key and English was based on the two principles of “no surprises” and “getting the relationship right.” These meant that the New Zealand government would refrain from offending China and develop extensive relations with local and national leaders in China as well as

¹⁰⁸ Brady, “A Strategic Partnership,” 136.

¹⁰⁹ Ibid., 137.

representative figures in New Zealand.¹¹⁰ New Zealand's Trade Minister Tim Groser best summed up the prioritization of economic interests in these principles in 2014 when he said that "there is no difference between 'foreign policy' and 'trade policy' for New Zealand."¹¹¹

Such commitment to avoid any and all disturbances in its China relations was an extreme application of New Zealand's past "pragmatic relationship" and a deviation from the Lange government's condemnation of China's response to the Tiananmen Square in 1989. As such, New Zealand did not criticize China's militarization of the South China Sea despite it having direct relevance to its reliance on sea lanes of communication and a rules-based order. It was only after pressure from Australia and the United States that Prime Minister Key made insignificant statements that led to criticisms of New Zealand being too soft on China.¹¹²

2.4 Strategic Ambiguity? 2017 – Present (January 2023)

New Zealand experienced a change of government when the Labour Jacinda Ardern became prime minister in 2017. The China policy of the Ardern government has shown 'ambiguity' as it has shifted from its foreign policy stances between engaging and confronting China. Accordingly, the earlier years of the Ardern government seemed to show that New Zealand's China policy was taking a pivot followed by rather ambiguous and swaying policies during the later years to the present.

The earlier years of the Ardern government was characterized by statements

¹¹⁰ Ibid.

¹¹¹ New Zealand Contemporary China Research Centre, "New Zealand's China Policy," 26.

¹¹² Brady, "A Strategic Partnership," 137.

and policy decisions that seemed to target China. Upon assuming office, Ardern stated that New Zealand should not be “naïve” and acknowledged that it was experiencing foreign interference.¹¹³ This was followed by the ‘Pacific Reset,’ a new foreign policy strategy for the South Pacific which was widely perceived to be targeting China’s increasing presence in the South Pacific.¹¹⁴ In the same year, Huawei was also banned from New Zealand’s 5G network.

This changed in 2020 as New Zealand has been taking a more nuanced stance toward China. Like Australia, it did show its commitment to the liberal international order and concerns on China’s assertive foreign policy by criticizing Chinese diplomat’s tweet about Australian soldiers and the security pact between China and the Solomon Islands. It also joined Australia in a joint statement on human rights abuses in Xinjiang and suspended its extradition treaty with Hong Kong.

However, the Ardern government has also been making political and diplomatic efforts to tone down its approach toward China. It did not join other members of the Five Eyes in a joint statement criticizing the arrests in Hong Kong and released its own statement. It was also absent from a joint statement of 14 countries that expressed concerns on a WHO study on the origins of COVID-19 and announced that it would make an “independent analysis” of the WHO study.¹¹⁵ Instead, its Foreign Minister rather publicly criticized the Five Eyes’ effort to pressure China. The government also vetoed a parliamentary motion that would have identified the conditions of Uyghurs in Xinjiang as genocide in May 2021.

¹¹³ Ibid., 140.

¹¹⁴ Patrick Köllner, “Walking a Tightrope: New Zealand Revises Its China Policy,” *German Institute of Global and Area Studies*, no. 4 (June 2019), 5.

¹¹⁵ “New Zealand Defends Absence from Joint Statement on WHO Coronavirus Report,” *Reuters*, April 1, 2021, <https://www.reuters.com/article/us-health-coronavirus-newzealand-china-idUSKBN2BO3VL>.

Furthermore, in addition to the absence of significant military spending as was in Australia, New Zealand did not diplomatically boycott the Beijing Winter Olympics and even stepped its economic relations with China by signing an upgraded FTA with China in January 2021 after which New Zealand's trade minister advised his Australian counterpart to "show respect" to China.¹¹⁶

But New Zealand was also seen to be shifting away from China at times. For example, New Zealand's 2021 Defense Assessment identified certain countries as New Zealand's security partners. The list included the U.S., Singapore, Malaysia, Japan, South Korea, Vietnam, and Indonesia, but not China. Moreover, the rather hawkish U.S.-New Zealand joint statement after the May 2022 Summit and Ardern's participation in the Madrid NATO Summit in June 2022 was not well-received by China.

Likewise, New Zealand's China policy has been perhaps one of 'strategic ambiguity' and a modified stance of the previous Key-English governments aimed at preserving both the national interests and values held by New Zealand. Therefore, its focus on maintaining its relations with China is best reflected in its Prime Minister Ardern's speech in August 22 when she announced that she is planning a visit to China and that despite China being "more assertive... there are still shared interests" the two countries can cooperate on.¹¹⁷

¹¹⁶ Daniel Hurst, "New Zealand Trade Minister Tries to Ease Tensions after Saying Australia Should 'Show Respect' to China," *The Guardian*, January 28, 2021, <https://www.theguardian.com/australia-news/2021/jan/28/china-calls-on-australia-to-follow-new-zealands-lead-in-how-it-deals-with-beijing>.

¹¹⁷ Tess McClure, "New Zealand Will Continue to Cooperate with 'More Assertive' China, Ardern Says," *The Guardian*, August 1, 2022, <https://www.theguardian.com/world/2022/aug/01/new-zealand-china-jacinda-ardern>.

3. Convergence and Divergence in Australia and New Zealand's China Policies

3.1 Convergence

Australia and New Zealand have traditionally shown similar motives and policy decisions in their China Policies. Both countries' recognition of China on December 21 and 22 of 1972 was motivated by the same political reason to recruit China as a regional ally in resisting Soviet influence in the Asia-Pacific. Economic interests were not the main driver of China policy for both countries during the early years of the relationship contrary to popular expectations.

But both countries came to focus on the economic aspect of their China relations following China's economic reforms under Deng Xiaoping with their China trade growing significantly from the early 1980s and onwards. Another common policy decision during this period of growing economic ties was the transformation of the nature of their China relations after Tiananmen Square. Both Australia and New Zealand had openly criticized China's crackdown on protesters in Tiananmen Square in 1989. However, both countries had also restored its economic relations with China after two years with a common policy of choosing to focus on the economic aspects of their China relations as was in Howard government's compartmentalization strategy and the "pragmatic relationship" during Jim Bolger's time in office.

As such, Australia and New Zealand's economic ties with China were based on the shared belief that the legacy of Deng's economic reforms and engaging China economically and globally would lead to China's democratization or at least its integration into the international order as a responsible stakeholder. This was the

justification used by both countries after Tiananmen Square and the Cold War and even into the 2000s.

Another common characteristic between Australia and New Zealand's China policies is that the general trend of foreign policy in each phase of Australia and New Zealand's China policy as described in the previous sections was continued through several changes in government between Australia's center-right Liberal governments and center-left Labor governments as well as New Zealand's center-right National governments and center-left Labour governments

In Australia, Liberal McMahon continued engaging China after Labor Whitlam established diplomatic relations with China in 1972. Liberal Howard also succeeded Labor Hawke and Keating's policy of economically engaging China despite political differences. Once again, Liberal Abbott took mixed approaches toward China like his Labor predecessors of Rudd and Gillard. Even at the time of writing this paper, Labor Albanese has been adopting the same confrontational approach to China like the Liberal governments under Turnbull and Morrison.

Likewise in New Zealand, when Labour Kirk established diplomatic relations with China, Liberal Muldoon continued the engagement. Labour Lange and National Bolger also led New Zealand in fostering economic relations with China during the 1980s and 1990s. Such trend was still seen in Labour Clark and Liberal Key-English governments who expanded New Zealand-China relations to a multi-dimensional cooperative partnership. Such bipartisan consensus on China policy in the two governments is also reflected in both countries' policy initiatives to integrate China into international institutions throughout their relations with China.

3.2 Divergence

This paper noted in Chapter IV that Australia and New Zealand shared common orientations in their foreign policy. The previous section reinforces that notion as the China policies of Australia and New Zealand have historically resembled each other. However, this does not mean that their China policies were identical to the last detail.

There were differences in the nature of Australia and New Zealand's relations with China even before the recognition of the People's Republic of China in 1972. To begin with, Australia and New Zealand held contrasting views on communism and China. Australia held a more hawkish view on communism which is evident in legislation introduced by the Menzies' Liberal government to ban the Communist Party of Australia in 1950. Furthermore, Australia's involvement in the Korean and Vietnam Wars was clearly aimed at deterring the spread of communism in the Asia-Pacific and the Chinese influence behind it.

On the other hand, it was the Communist Party of New Zealand that led New Zealand's interactions with China before 1972. Furthermore, although New Zealand also sent combat forces to Korea and Vietnam, their numbers were relatively smaller compared to Australia. More importantly, when Holyoake's National government sent combat troops to Vietnam, its reasoning behind sending troops was quite different from Australia. The fear of communism with China as its supporter was a minor factor in New Zealand's participation in the Vietnam War. The main reason involved New Zealand's changing alliance relations as it had been shifting away from Britain with increasing reliance on the U.S. and cooperation with

Australia.¹¹⁸ Hence, this difference explains why the New Zealand government raised the need to recognize China as early as in 1956 while the same occurred in Australian government only in the 1970s under the Whitlam government.

A more salient divergence in Australia and New Zealand's China policies took place in the late 2000s between Australia's Rudd government and New Zealand's Key-English governments. As outlined in the earlier sections, the Rudd government was noted for its public condemnations of human rights abuses in China and using the rhetoric of the 'China threat' in the Defense White Paper and his dialogues with other national leaders. However, the Key-English governments who were in office at the same time as the Rudd government held a very contrasting position on China. Best exemplified by their two principles of "no surprises" and "getting the relationship right," they refrained almost completely from sensitizing China to avoid jeopardizing New Zealand's economic relations with China.

But the most significant divergence in the two countries' China policy appeared when the foreign policies of the two countries toward China began to go down starkly different paths in 2020 as Australia openly joined the U.S.-led coalition to counter China despite facing a full-scale trade war while New Zealand maintained its cooperative relations with China and remained cautious in joining such coalitions. Through the governments of Turnbull, Morrison, and Albanese, Australia has been introducing laws on foreign interference, strengthening defense partnerships and capabilities, and confronting China in diplomatic disputes. However, while its neighbor was engaged in an economic and diplomatic feud with China, New Zealand has been taking a rather ambiguous stance as it refused to take part in collective

¹¹⁸ Roberto Rabel, *New Zealand and the Vietnam War: Politics and Diplomacy* (Auckland: Auckland University Press, 2005), 236, 764.

actions against China while concurrently also taking measures to increase cooperation with its traditional allies.

In viewing such contrasting foreign policies between two very alike countries, one may argue that New Zealand's nuanced approach to China can be understood as an attempt keep its economic benefits from trading with China. Such argument carries persuasiveness when considering the significant proportion of trade with China in New Zealand's economy. However, the same logic does not apply to Australia who, despite having significant trading ties with China, is confronting China with hardline policies.

Accordingly, the focus of the paper will be on the recent divergence in China policies between the Turnbull-Morrison-Albanese governments and the Ardern government to answer the question of what may have accounted for the divergence of Australia and New Zealand's China policies notwithstanding their diverse similarities. Hence, it aims to address the beginning of this divergence from 2018 and in April 2020 with Australia's call for inquiry of COVID-19 origins with references to past domestic politics and China relations of Australia and New Zealand.

Chapter V. Analysis of Foreign Policy Determinants

1. Individual

In examining the individual variable, one needs to look at the leaders' background, past experiences, and their value orientations which is the prime minister for Australia. The prime minister is head of government and leads the executive branch of the government in both Australia and New Zealand. For the purpose of this paper, the prime ministers of Australia during the timeframe applicable to this research were Malcolm Turnbull, Scott Morrison and Anthony Albanese. Turnbull served as prime minister from September 2015 to August 2018 when Australia-China relations started to disagree. Succeeding Turnbull was Morrison who was in office from August 2018 to May 2022 during the peak of Australia-China conflict. Anthony Albanese, the incumbent prime minister at the time of writing this paper, became prime minister in May 2022 and inherited the hostile relations between Australia and China. The prime minister of New Zealand during the corresponding timeframe is Jacinda Ardern.

Before beginning his political career, Malcolm Turnbull was a journalist, lawyer, and businessman who had studied political science and law. He was elected to the Australian House of Representatives in 2004 and became the leader of the Liberal Party in 2007. Prior to becoming prime minister in September 2015, Turnbull served as Minister for the Environment and Water and Minister for Communications in the Howard and Abbott governments. He was considered a moderate in the center-right Liberal Party who supported abortion and same-sex marriage despite his Catholic faith.

Scott Morrison who succeeded Turnbull had been in the tourism industry before being elected to the Australian House of Representative in 2007. As a conservative within the center-right Liberal Party, his political orientation is quite different from that of his predecessor, for example, abstaining from a vote on same-sex marriage due to his religion.

The incumbent prime minister Anthony Albanese was elected to the House of Representative in 1996 and served as Minister for Regional Development and Local Government and Minister for Infrastructure and Transport before assuming the leadership of the Labor Party in 2019. He became prime minister after the Labor Party's election victory in 2022. As a member of the center-left Labor Party, Albanese defined his political orientation as progressive supporting abortion, LGBT rights, and renewable energy.

As for the prime minister of New Zealand, Jacinda Ardern, who has been in office from October 2017, is considerably younger than her Australian counterparts as she was born in 1980. She had joined the Labour Party at the age of 17 and was elected to parliament in 2008. Assuming party leadership in 2017, she became the youngest female head of government at the age of 37. Ardern holds progressive political views as the leader of the center-left Labour Party in continued support of New Zealand's nuclear-free policy, abortion, and same-sex marriage.

As discussed, all four prime ministers have different experiences, backgrounds, and political orientations. They all have received different education and have worked in different industries before becoming politicians. They also have different political views as even Turnbull and Morrison, both members of the Liberal Party, show different political opinions. This goes the same for Ardern and Albanese who both started their political career straight out of university and are both member

of a center-left Labor (Labour) Party although in different countries.

One common peculiarity among all three Australian prime ministers is that they all continued hardline policies against China. However, the personal traits of individual prime ministers and value orientations of Turnbull, Morrison, and Albanese do not show significant correlations to explain this continuation of policy on China. Moreover, the hardline policies of Australia's Liberal governments are surprising when considering that both Turnbull and Morrison rejected the notions of a 'new Cold War' and having to choose between the U.S. and China during their earlier months in office.

This is even more surprising because when Albanese became prime minister in 2022, he was expected to break away from the hardline policies of his Liberal predecessors given his progressive orientation as the leader of the Labor Party. Surprisingly, Albanese continued to confront China diplomatically. When China put forth four ways to restore Australia-China relations at the G20 meeting between their foreign ministers, Albanese refused to respond by replying that while Australia will "cooperate with China where we can," Australia "does not respond to demands."¹¹⁹ He also reaffirmed Australia's commitment to AUKUS in the joint statement marking one year of AUKUS with plans to accelerate Australia's acquisition of nuclear-power submarines to as early as 2030.

Likewise, Ardern's personal characteristics and experiences may explain her speaking out against China on human rights abuses in Xinjiang and Hong Kong, its assertiveness in the South China Sea and challenge of international norms at times.

¹¹⁹ Tory Shepherd, "Australia 'Doesn't Respond to Demands', Anthony Albanese Tells China," *The Guardian*, July 11, 2022, <https://www.theguardian.com/australia-news/2022/jul/11/australia-doesnt-respond-to-demands-anthony-albanese-tells-china>.

However, they do not present clear linkages to her doing so in toned-down language without joining other states in joint statements.

The one characteristic that all four prime ministers have is their lack of experience or knowledge of China as none of them have lived or worked in China. One prime minister who had such experience was Kevin Rudd. However, when considering that Rudd was the first prime minister to seriously invoke the “China threat” rhetoric after normalization of relations, the notion that the lack of China experience was a cause of hardline China policy can be dismissed. Furthermore, the idea of experience in China being a decisive factor loses persuasiveness given that the policies of Turnbull, Morrison, and Albanese are even more hardline than that of Rudd.

Following such analysis, it can be concluded individual factors had little influence on Australia and New Zealand’s China policy as the individual traits of the four different leaders do not provide explanatory links to their policies. The China policies of Australia and New Zealand cannot be explained by the individual variable as the Australian prime ministers adhered to the same policy line despite their differences in education, professional experience, political orientation, and affiliation and as Ardern and Albanese’s policies differed despite their similarities. Furthermore, when referring to Figures 3 and 4 which ranked the individual variable as the variable having the least potency on foreign policy, the individual variable becomes more irrelevant for the study of Australia and New Zealand’s China policy.

2. Role

In examining the influence of the role variable on Australia and New

Zealand's China policies, two aspects of the prime minister's decision-making process will be studied. Thus, this section aims to look at how the role of prime minister affects foreign policy such as political motives and calculations of prime ministers pertaining to electoral cycles and party leadership as well as how the policy choices of the prime minister is limited or set by the policies of previous prime ministers.

Firstly, avoiding the image of being pro-China had always been on the list of political priority of Australian prime ministers. Allegations of being 'Pro-China' were common accusations made in Australian politics especially against the Labor Party by the Liberal Party. As early as in 1971, Fraser had called Whitlam a 'Chinese candidate' and a "disgrace" for visiting China. Kevin Rudd was also called a 'travelling China advocate' with the same rhetoric still being seen 2022 as Morrison called a Labor MP a 'Manchurian candidate.' Making such claims in Australian politics can be seen as attempts to discredit the opponent by affiliating the person with foreign entities and portraying the opponent as opposing Australia's national interests.

Such claims are also related to accusations of lacking commitment for Australia's alliance with the U.S. which was true for Rudd and Gillard. Rudd had faced criticisms from John Howard's Liberal Party on his allegiance to the alliance and national security while Gillard's previous political affiliation with the Socialist Left faction raised questions on her credentials. This created the need for political leaders to demonstrate their commitment to national security and Australia's alliance with the U.S. as reflected in Rudd and Gillard's policies to align Australia and the U.S. at the detriment of Australia's China relations.

Turnbull may have faced such concerns in this regard. In 2015, Turnbull

was criticized for being too ‘soft’ on China with concerns on his Chinese-born daughter-in-law.¹²⁰ Furthermore, Turnbull had proposed that the government lift the ban on Huawei to bid for National Broadband Network when he was a communications minister for the Abbott government, an action for which he was criticized as being a “panda-hugger.”¹²¹ This possible threat to his office would have been exacerbated by the fact that Turnbull’s government had only a one-seat majority in 2016. Therefore, his turn to hardline policies could have been influenced by the need to dismiss such notions and strengthen his political base. However, as Morrison, Albanese, and Ardern did not face such criticisms, Turnbull’s political motivations would not have played a major role in Australia’s China policy.

Some may also argue that Morrison’s China policies were designed to create a rally-round-the-flag effect and raise his approval ratings by shifting domestic attention to foreign policy.¹²² This may sound persuasive given condemnations of Morrison going on a holiday and the government’s response during the unprecedented bushfires of 2019 and 2020. However, given that Australia’s response to COVID-19 was exceptional which led to an increase in Morrison’s ratings, such argument holds no relevance.

The more important aspect of the role variable is the legacy of previous governments and traditional perceptions of foreign policy that would have defined the country’s foreign policy orientation by leaving precedents. For Australia, such

¹²⁰ John Garnaut, “Is Malcolm Turnbull ‘Soft’ on China Because of His Family Connections?” *The Sydney Morning Herald*, September 15, 2015, <https://www.smh.com.au/national/is-malcolm-turnbull-soft-on-china-because-of-his-family-connections-20150915-gjnbz8.html>.

¹²¹ Curran, *Australia's China Odyssey*, 202-203.

¹²² Peter Lewis, “Scott Morrison’s China Gambit Is a Hail Mary from a Flailing Leader Trying to Galvanise Fear,” *The Guardian*, February 22, 2022, <https://www.theguardian.com/australia-news/commentisfree/2022/feb/22/scott-morrison-china-gambit-is-a-hail-mary-from-a-flailing-leader-trying-to-galvanise-fear>.

legacy of commitment to the alliance was left by Howard's Liberal government when Australia sent troops to Iraq and Afghanistan to assist the U.S. operations in the Middle East. The image of Australian troops in Iraq and Afghanistan in addition to the history of Australia's participation in both World Wars marked a turning point in Australia's alliance with the United States. It reiterated the rhetoric of 'defending Western values and standing by its allies' to the point that it left Howard's successors little room for policy deviation with regards to alliance management.¹²³ Hence, when it finally came down to choosing between the U.S. and China, Australian prime ministers would have been more inclined towards the U.S. as Australia shares more history and values than with China.

Equally important is the impact of Australia's perception of itself as a middle power on the decision-making process of the government. Australian leaders have publicly identified Australia as a middle power in the past. Herbert Evatt first called Australia a middle power as Australia's foreign minister at the San Francisco Conference in 1945. This was repeated by foreign ministers in both Labor and Liberal governments which include Garfield Barwick, Gareth Evans, Alexander Downer, Stephen Smith, and Bob Carr.¹²⁴ Kevin Rudd also explicitly called Australia's foreign policy as being middle power diplomacy to enhance the rules-based order when he was prime minister.¹²⁵ Such rhetoric was also assimilated into Australia's foreign policy.

Middle powers are non-great powers that possess the ability to impact

¹²³ Curran, *Australia's China Odyssey*, 141.

¹²⁴ Andrew Carr, "Is Australia a Middle Power? A Systemic Impact Approach," *Australian Journal of International Affairs* 68, no. 1 (2013): pp. 70-84, 76.

¹²⁵ David Scott, "Australia as a Middle Power: Ambiguities of Role and Identity," *Seton Hall Journal of Diplomacy and International Relations* 14, no. 2 (2013): pp. 111-122, 114.

international affairs, reshape the regional environment, and resist great-power influence on a certain degree. Thus, middle powers are characterized by “their tendency to pursue multilateral solutions to international problems, their tendency to embrace compromise positions in international disputes, and their tendency to embrace notions of ‘good international citizenship’ to guide their diplomacy.”¹²⁶ They also tend to work with like-minded countries through coalitions as they lack the same level of political and economic capital of great powers.

Consequently, Australia’s perception of itself as a middle power has translated into its support for the rules-based international order and multilateral diplomacy as outlined in Chapter III. Australia has sought to work with China within the rules-based order through international institutions. Furthermore, Australia’s past engagement with China had been premised on China being a credible partner within the rules-based international order as it had chosen to maintain its economic relations with China despite their political and ideological differences. Hence, the erosion of the liberal international order by China’s assertive diplomacy in the recent years damaged a critical factor in Australia’s foreign policy and prosperity pushing Australia towards its most important ally and partner, the United States.

It is true that the U.S. under the Trump administration has not been the biggest supporter of the liberal international order. However, Australia shared decades of significant political, economic, and security relations with the United States. While Australia also had important relations with China, it would not have been as important as compared to the U.S. as China was no longer the benign partner

¹²⁶ Erik Brattberg, “Middle Power Diplomacy in an Age of US-China Tensions,” *The Washington Quarterly* 44, no. 1 (2021): pp. 219-238, 220; Andrew F. Cooper, Kim Richard Nossal, and Richard A. Higgott, *Relocating Middle Powers: Australia and Canada in a Changing World Order* (Vancouver: UBC Press, 1993), 19.

focused on cooperation and development under the Xi Jinping leadership. And as Australia consolidated its relations with the U.S., it gained the resources to push back and endure China's policies resulting in the current Australia-China relations.

On the other hand, New Zealand's foreign policy was guided by its long legacy of 'independent foreign policy' and its perception of itself as a small power. New Zealand's tradition of independent foreign policy goes back more than a hundred years to the First World War when countless New Zealanders died in Gallipoli. As its name suggests, New Zealand's independent foreign policy refers to pursuing foreign policy that reflects the country's interests and ideals and resisting foreign influence from hindering its goals by avoiding excessive affiliation to one side. This was coupled by the perception of New Zealand as a small state by both National and Labour governments which produced foreign policy concentrated on economic gains, internationalism, moral norms, and risk avoidance.

As a result, New Zealand's independent foreign policy has created policy decisions of significant weight over the years. As outlined in the previous sections, New Zealand had followed the United States' lead during the Cold War in sending troops to Vietnam and not recognizing China until 1972. But the Kirk government withdrew completely from Vietnam following its public endorsement of New Zealand's role as an independent small nation.

Even more important was New Zealand's anti-nuclear policy. In 1985, the Lange government banned the entry of nuclear powered and armed vessels into New Zealand and led the creation of the Pacific Nuclear Free Zone Treaty. Although these decisions resulted in the suspension of the ANZUS Treaty with the U.S., they

received popular support from the public and became a significant part of New Zealand's national identity.¹²⁷

Independent foreign policy was also responsible for New Zealand's continued engagement with China after the Cold War. A 1995 report by New Zealand Embassy argued that New Zealand does not face the same constraints as the U.S. does and, therefore, it is not in New Zealand's interest to align itself with the U.S. concerning China.¹²⁸ Furthermore, New Zealand was also opposed to the U.S. invasion of Iraq in 2003 and called for negotiations through the United Nations.

New Zealand's independent foreign policy is a source of pride for New Zealand citizens who still show widespread support for the policy notion. This is why both National and Labour Parties adhere to independence in foreign policy out of ideological orientations and pragmatic understanding of vote attraction. New Zealand governments are also inclined to "pay at least lip service" to the promotion of independent foreign policy for the same reasons.¹²⁹

In this regard, independent foreign policy provides a rather clear explanation to the Ardern government's nuanced foreign policy between the U.S. and China. As New Zealand has been avoidant of completely siding with a bloc, it has been careful not to endorse a side. Furthermore, given the strong public support for an independent notion, the Ardern government would have no choice but to adhere to the principle especially because it began as a coalition with the New Zealand First and the Green Parties.

¹²⁷ Nicky Hager, "Principled Small Nation or Stalwart Ally? New Zealand's Independent Foreign Policy," in *Small States and the Changing Global Order: New Zealand Faces the Future*, ed. Anne-Marie Brady (Springer, 2019), pp. 363-377, 365.

¹²⁸ Brady, "New-Zealand China Relations," 15.

¹²⁹ Hager, "Principled Small Nation," 365.

Another point to note in New Zealand's foreign policy as a small state is the tenet of risk avoidance which was meant to prevent alienating larger powers with disagreements. This is reflected in the tradition of raising disagreements behind closed doors. This principle was adhered to by both National and Labour governments.¹³⁰ For example, Prime Minister Kirk criticized President Nixon's 1972 bombing of Hanoi on Christmas. However, this was done in a private letter to the president unlike Australia's public criticism of the bombing.¹³¹ New Zealand also criticized China's foreign policy in Southeast Asia and its nuclear tests in bilateral meetings. It also initiated bilateral foreign ministry consultations with China through which New Zealand raised issues on human rights and rule of law instead of public forums while not formally meeting the Dalai Lama in 2008 and 2013.¹³² Hence, this tradition may explain the Ardern's government's refusal to join other countries in openly condemning China while making separate statements to adhere to its foreign policy of norms.

In sum, the role variable reveals substantial differences in determining the China policies of Australia and New Zealand. The necessity felt by the prime minister to demonstrate his political orientation does not seem to have an important role. However, the legacy of the aligning with the U.S. alliance and perception of a middle power in Australia and the contrasting legacy of independent foreign policy and perception of a small power in New Zealand play a determining role between Australia and New Zealand's China policies. These factors limit the policy choices

¹³⁰ David J. McCraw, "New Zealand's Foreign Policy under National and Labour Governments: Variations on the 'Small State' Theme?" *Pacific Affairs* 67, no. 1 (1994): pp. 7-25, 25.

¹³¹ Margaret Hayward, *Diary of the Kirk Years* (Cape Catley Ltd, 1981), 108.

¹³² New Zealand Contemporary China Research Centre, "New Zealand's China Policy," 20-21.

of the prime ministers as they are pressured to follow precedents and traditions while adhering to the public opinion. Furthermore, as the role variable is accorded the most potency on foreign policy for both countries in Figures 3 and 4, the influence of the discussed factors is expected to be on the most significant level.

3. Societal

Australia and New Zealand show congruence in their societal variables as the societies of Australia and New Zealand show similar predispositions with regard to China. To begin with, the two countries have similar proportions of Chinese citizens at around five percent of the total population facing the same level of Chinese presence in their societies.¹³³ Furthermore, their societal variables do not show significant differences as public opinion and domestic perceptions of China in Australia and New Zealand reflect similar trends. This can be observed in their responses to foreign political interference.

The issue of foreign political interference became a subject of popular attention in Australia in the late 2010s. Australia's political landscape went through a shocking scandal in 2016 when it was revealed that then Labor Senator Sam Dastyari had been taking payments from Chinese and Chinese-Australian figures. This raised suspicions as he had publicly supported China on its territorial disputes in the South China Sea directly contradicting the stance of his party and the Australian government. It was further revealed that he had provided a Chinese donor

¹³³ "2018 Census Ethnic Group Summaries," Stats NZ, n.d., <https://www.stats.govt.nz/tools/2018-census-ethnic-group-summaries/chinese>; Jennifer Hsu and Natasha Kassam, "2021 Being Chinese in Australia: Public Opinion in Chinese Communities," *Lowy Institute Poll*, April 2022.

with counter-intelligence advice which led to his resignation.

New Zealand also experienced political scandals involving politicians with Chinese affiliations. In 2017, media coverage revealed that Yang Jian, a National MP, had worked with Chinese military intelligence for 15 years before coming to New Zealand. Labour MP Raymond Huo was also accused of having affiliations with the Chinese Communist Party's United Front. Both Yang and Huo resigned and retired from politics after the scandals.

Suspensions that China was interfering in domestic politics of Australia and New Zealand were also made by academics in both countries. In 2017, Anne-Marie Brady, professor of political science at the University Canterbury, argued in her conference paper *Magic Weapons: China's political influence activities under Xi Jinping* that China was strategically using Chinese societies and local media in New Zealand to develop relations with businesses and politicians in pursuit of its interests. In Australia, Clive Hamilton's 2018 book "Silent Invasion: China's Influence in Australia" argued along similar lines that China had been systemically attempting to influence Australian politics and society and were behind the rather violent clashes between Chinese students and pro-Hong Kong protesters in Australia.

The political response to such suspicions led to the introduction and bipartisan agreement on legislations targeting foreign interference in both countries. Australian Parliament passed foreign interference laws in 2018 that banned foreign donations and required lobbyists of foreign governments to register themselves. This was followed by major reforms in its legislations on foreign investment in 2020. The series of reforms made government approval mandatory for all foreign investment and introduced a new national security test for investments with national security

concerns.¹³⁴ New Zealand followed suit by updating its Overseas Investment Act in 2018. It went on to ban foreign donations over NZ\$50 to political parties and candidates and required public disclosures of sources of political fundings in 2019.¹³⁵

What is remarkable is that these legislations received bipartisan support in both countries. And as reflected in the bipartisan support for the aforementioned legislations, anti-China has been growing in both countries. In 2020, a poll by Lowy Institute showed that 82 percent of Australians were concerned with China's influence on Australian politics. Likewise, the percentage of Australians who saw China as a security threat increased from 12 percent in 2018 to 63 percent in 2022.¹³⁶ Negative perception of China had also been increasing in New Zealand. A poll in 2022 showed that only 13 percent of New Zealanders saw China as a friend compared to 58 percent who saw China as a geopolitical threat.¹³⁷

Given that Australia and New Zealand are both strong parliamentary democracies with free and open media, freedom of speech, and low levels of corruption, such impact on public opinion would have translated into the policy level. As politicians in both countries were directly involved in the scandals, political parties and politicians may have considered such a negative opinion on China as an opportunity to offset the political damages of the scandals or consolidate their political positions. Thus, they would have been encouraged to pursue hardline China

¹³⁴ "Foreign Investment Reforms," Foreign investment reforms § (2020), https://treasury.gov.au/sites/default/files/2020-06/p2020-87595_0.pdf.

¹³⁵

¹³⁶ Lowy Institute, "China: Economic Partner or Security Threat," Lowy Institute Poll, accessed November 28, 2022, <https://poll.lowyinstitute.org/charts/china-economic-partner-or-security-threat/>; Lowy Institute, "Foreign Influence in Australian Politics," Lowy Institute Poll, accessed November 28, 2022, <https://poll.lowyinstitute.org/charts/foreign-influence-australian-politics/>.

¹³⁷ Phil Mercer, "Survey Shows Deepening Fear of China in New Zealand," *Voice of America*, June 22, 2022, <https://www.voanews.com/a/survey-shows-deepening-fear-of-china-in-new-zealand-/6627994.html>.

policies in line with the public opinion to create a sound public support base in the hope of inviting votes as Australia faced general elections in 2019 and 2022 and New Zealand in 2020.

However, the paper has pointed out that Australia and New Zealand showed different degrees in their China policies. As such, the simple presence of anti-China sentiment in both countries does not explain the difference in the China policies of Australia and New Zealand. Rather, one needs to turn to another aspect of anti-China sentiments for explanations.

Anti-China sentiments in Australia did not derive solely from allegations of Chinese influence in Australian politics. They were fueled also by the increasing influx of Chinese migrants and capital. Recently, Australia had been experiencing drastic increases in housing prices especially in Sydney. The steep rise in housing prices were attributed to Chinese non-resident buyers whose visits were planned for real estate purchases eventually leading to the government's scrapping of the Significant Investor Visa which was almost exclusively acquired by Chinese nationals.¹³⁸ This would have been an additional factor in generating negative feelings for China. Such sentiment in Australia was exacerbated by China's Belt and Road Initiative projects within Australia. One example is the controversial 99-year lease of the Darwin port to a Chinese firm which was seen as a national security concern by nearly 90 percent of Australians.¹³⁹

¹³⁸ David S. Goodman, "Australia and the China Threat: Managing Ambiguity," *The Pacific Review* 30, no. 5 (2017): pp. 769-782, 772; Henry Belot, "Australia's Significant Investor Visa Set to Be Scrapped under Migration Changes," *ABC News*, December 2022, <https://www.abc.net.au/news/2022-09-12/golden-ticket-to-australia-set-to-be-scrapped-migration-change/101429106>.

¹³⁹ Christopher Walsh, "Darwin Port Lease 'Security Risk', Says 90% of Australians," *NT News*, March 10, 2016, <https://www.ntnews.com.au/news/northern-territory/darwin-port-lease-security-risk-says-90-of-australians/news-story/4ce2bcd29815ff014a79ea4147e6e303>.

Like Australia, New Zealand had also been experiencing steep increases in housing prices. However, this factor was not a determinant in New Zealand's public opinion on China as Chinese buyers were not responsible for the housing prices. Instead, low interest rates and increased demand after the pandemic were seen as responsible for pushing housing prices by 23 percent in 2021. Furthermore, most real estate purchases were made by New Zealanders with multiple properties followed by buyers from Japan, Singapore, and the Philippines.¹⁴⁰ Moreover, New Zealand did not have Belt and Road Initiative projects in New Zealand unlike Australia's Darwin port lease.

Furthermore, the gravity of the Dastyari scandal in Australia and the Yang and Huo scandal in New Zealand differed significantly. Dastyari was suspected of acting on behalf of his Chinese donor on multiple occasions aside from supporting China in the South China Sea disputes. As absurd as they might sound, the then incumbent senator warned his Chinese donor that their phones were likely being tapped and attempted to persuade opposition spokesperson from meeting a pro-Hong Kong activist.¹⁴¹ However, Yang and Huo were not accused of such actions with allegations made against them remaining only on their past affiliations.

¹⁴⁰ Joshua McDonald, "Kiwis Are behind New Zealand's Runaway House Prices, Not Buyers from China or Singapore," *South China Morning Herald*, March 26, 2021, <https://www.scmp.com/week-asia/economics/article/3127026/kiwis-are-behind-new-zealands-runaway-house-prices-not-buyers>.

¹⁴¹ Louise Yaxley, "Malcolm Turnbull Questions Sam Dastyari's Loyalty amid Claims He Passed Security Information to Chinese Donor," *ABC News*, November 29, 2017, <https://www.abc.net.au/news/2017-11-29/sam-dastyari-denies-warning-chinese-donor-of-phone-tap/9205012>; Fergus Hunter and Nick McKenzie, "Sam Dastyari Warned Tanya Plibersek to Abandon Meeting with Hong Kong Activist, Sources Say," *The Sydney Morning Herald*, December 10, 2017, <https://www.smh.com.au/politics/federal/sam-dastyari-warned-tanya-plibersek-to-abandon-meeting-with-hong-kong-activist-sources-say-20171210-h01z5o.html>.

These factors may explain why anti-China sentiment was higher in Australia acting as a contributing factor to Australia's hardline China policy. Furthermore, when following the distribution of relative potency according to Rosenau's theorization, the societal variable is the third most potent variable for New Zealand. Hence, although anti-China sentiment also did exist in New Zealand, the different level of influence the societal variable has in each country according to Rosenau explains how the societal variables of Australia and New Zealand translate differently into the foreign policy of each country.

4. Governmental

Australia and New Zealand's differences in the governmental variable is also rather salient with the presence of hawkish government members in Australia and the change of coalitions following successful elections in New Zealand. In Australia, Turnbull and Morrison faced pressure from members of the government, the Liberal Party, and the bureaucracy to take a hardline stance against China.

Two years after Turnbull became prime minister in 2015, Donald Trump became president in 2017. This emboldened the right-wing faction of the Liberal Party who believed that Trump was going to confront China and saw this as Australia's chance to assist the United States.¹⁴² Furthermore, John Garnaut, Turnbull's speechwriter and adviser, articulated the image of a creeping Chinese influence within Turnbull's government whose impact was seen in Turnbull's hawkish speech at the 2017 Shangri La Dialogue.¹⁴³ Such opinions were held within the bureaucracy as evident in a meeting between French foreign ministry officials

¹⁴² Curran, *Australia's China Odyssey*, 211.

¹⁴³ Ibid.

and Australian officials from the Department of Foreign Affairs and Trade and the Office of National Assessment in 2017. In this meeting, the Australian officials argued that China was going to be more assertive in the future and that Australia should not give up its political independence for its economic relations with China citing South Korea as an example.¹⁴⁴

Morrison faced even more hostile opinion within the government when he became prime minister in 2018. Aggressive policy advice was given all around Morrison from his Cabinet, the Liberal Party, and the bureaucracy. This included Michael Pezzullo, the secretary of the Department of Home Affairs, Peter Dutton, the defense minister, and Duncan Lewis, the Director-General of the Australian Security Intelligence Operations. To quote a few, Pezzullo said that he could hear the “drums of war” getting louder while Dutton openly talked of going to war with China over Taiwan.¹⁴⁵

Such widespread calls for hardline policy against China within the Cabinet, the Liberal Party, and the bureaucracy must have applied a significant amount of pressure on Turnbull and Morrison. This is especially so when considering that during the 44th, 45th, and 46th Parliaments of Australia in which Turnbull and Morrison served as prime ministers, their Liberal Party held a majority only once and formed coalitions in all three parliaments. Without a strong majority in parliament, Turnbull and Morrison would have been more susceptible to external influence on policy. This was also reflected in the leadership spill of 2018 in which Morrison replaced Turnbull as prime minister.

It was the other way around in New Zealand. When Ardern became prime

¹⁴⁴ Ibid., 218-219.

¹⁴⁵ Ibid., 235, 250.

minister in 2017, the Labor Party did not have the majority in parliament. Therefore, Ardern assumed office when the Labour Party formed a coalition with the New Zealand First Party and the Green Party. As a result, Winston Peters, the leader of the New Zealand First Party, became the foreign minister. Peters had been known to often be critical on China. This was also true for James Shaw, the leader of the Green Party.¹⁴⁶ But as the Labour Party could not take a majority in Parliament without the New Zealand First and Green Parties, Peters would have wielded a certain level of influence in policymaking as foreign minister as well as Shaw. This may explain the early China policies of Ardern which seemed to be standing up to China and the Pacific Reset released in 2018 which was seen to be targeting Chinese influence in the South Pacific. But this changed when Ardern's Labour Party won a single majority in Parliament in 2020 with which New Zealand's ambiguous China policy began.

As discussed, the governmental variable also provides explanations to the difference in Australia and New Zealand's China policies through government formations. The governmental variable holds a certain degree of importance according to the analytical framework. It is the third most potent variable in Australia and the fourth most potent in New Zealand. As such, the variable would have medium or minimal impact on Australia and New Zealand's foreign policy.

5. Systemic

The systemic variable in Australia and New Zealand's China policies can be divided into the two factors of China's transformation under Xi Jinping and the

¹⁴⁶ Köllner, "Walking a Tightrope," 4; Brady, "A Strategic Partnership," 140.

U.S. under Trump. With Xi Jinping's rise to power, China abandoned the rhetoric of a peaceful rise, began implementing assertive and hostile diplomacy in its territorial disputes and expanded the Belt and Road Initiative and the controversial debt-trap diplomacy along with continued cyber espionage. The details will not be discussed in this section as they have been discussed in Chapter IV. But the effect of a changed China under Xi was that it altered Australia and New Zealand's perceptions of China.

Australia and New Zealand had already experienced tensions in its China relations in the past on the Tiananmen Square protests, China's increased military spending, and its human rights abuses. However, their previous governments had decided to continue its economic relations with China despite the political and ideological differences because China had proven itself to be a benign partner who was willing to be integrated into the liberal international order. Cooperation with China was especially attractive for Australia and New Zealand as China had shown that it respected the principle of equality of states and the rights of small and middle powers.¹⁴⁷ Therefore, the new China under Xi with its goal of developing a 'new type of international relations' and the Chinese Dream has crossed the threshold for partnership pushing Australia and New Zealand towards the United States.

Furthermore, the U.S. had made clear that it would enter a strategic competition with China when the Trump administration's National Security Strategy labeled China as a revisionist power along with Russia in 2017. The trade war between the U.S. and China followed soon afterwards in 2018. The Trump administration's decision to openly confront China required cooperation from allies and partners. This prompted the U.S. to secure Australia in its ranks. When Turnbull

¹⁴⁷ Curran, *Australia's China Odyssey*, 40.

assumed office, U.S. officials such as Ely Ratner were raising American doubts on Australia's resolve to counter China with Australian officials.¹⁴⁸ During Morrison's time in office, Mike Pompeo and Mark Esper came to Sydney and reminded Australia of its alliance commitments and the U.S.' resolve. Along similar lines, Arthur Culvahouse, the U.S. ambassador to Australia, started his term by telling Australian officials that members of the U.S. Congress had asked him the question, "Who lost Australia?"¹⁴⁹

The impact of changes in the policies of the U.S. and China explains the systemic influence on Australia and New Zealand's China policies. To reiterate, China's changed international posture would have discouraged cooperation on past levels. The U.S. made use of this situation by pressuring Australia to affirm its alliance commitment. Furthermore, by validating the alliance, the U.S. gave Australia confidence that they could align with the U.S. against China as it was evident the U.S. itself was going to confront China. But it made no such efforts with New Zealand because despite renewed efforts and membership in the Five Eyes, U.S.-New Zealand relations with the history of independent foreign policy did not match decades of U.S.-Australia relations under the ANZUS Treaty. However, the systemic impact also explains why New Zealand has been engaging both sides to avoid isolation because New Zealand finds all-out cooperation with China no longer viable and as a small state, it needs the U.S. to counter China's growing assertiveness.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

Chapter VI. Conclusion

The previous chapter discussed the impact of the five different determinants on Australia and New Zealand's China policies. Although each variable has been discussed separately, they can be best understood in their relation to each other. To sum up the differences in Australia and New Zealand's variables, factors that may have affected their foreign policy are historical legacies of past foreign policy, self-perceptions of power, different degrees of public opinion, government formations and political pressure, and varying levels of sensitivity and resilience to external systemic pressure.

For Australia, the most important determinant of foreign policy is the role variable which include its perception of itself as a middle power in the international system and the foreign policy legacy of commitment to alliance in Australian politics. Australia's perception of itself as a middle power is influenced by the systemic variables of a 'new China' and the U.S.' need for allies. Australia's such perception stems from its awareness of its resources and power. Hence, by perceiving itself as a middle power with substantial economic and military hard power, Australia tends to assume larger roles in international relations than New Zealand. This makes Australia a more attractive ally for the U.S. regardless of their past relations.

Australia's China policy was also influenced to a lesser extent by a deterioration of public opinion owing to scandals of politicians with Chinese affiliations and statements, Chinese interference in Australian politics, and the rush of Chinese capital increasing housing prices. This would have pressured the government and members of Parliament to introduce new legislations targeting

foreign interference and investment. The societal variable would also have affected the governmental variable as individuals within the government and bureaucracy would possess similar opinions on China.

New Zealand's most decisive determinant was also the role variable which pertains to the perception of itself as a small state and the legacy of independent foreign relations in New Zealand politics. The next significant determinant was the systemic variable in which New Zealand was shoved away from previous levels of engagement with China due to internal and external changes in China's foreign policy. In the case of New Zealand, the systemic and role variables are intertwined as New Zealand's status as a small state dictated that it engage both China and the U.S. in a hedging strategy. The societal and governmental variables will have affected New Zealand's foreign policy to a lesser degree than it has Australia's.

Two more differences were observed in comparing the variables of Australia and New Zealand. Firstly, the difference in Australia and New Zealand's geographical location shapes each country's strategic interests in a distinct way by affecting the role and systemic variables. This paper has pointed out that geographical location is a similarity between the two countries as they are both 'down under' in the South Pacific. However, a closer examination reveals that their different locations within the South Pacific significantly influence the formulation of their national interests.

Located directly beneath Indonesia and Papua New Guinea, Australia only has Malaysia, Brunei, and Indonesia between itself and the South China Sea. Hence, Chinese power projection in the South China Sea puts Australia closer to China's sphere of interest although it is located 7,470 kilometers away from the Chinese mainland. Furthermore, as China's Second island chain encompasses Papua New

Guinea, its geographical proximity to Australia naturally concerns Australia. Therefore, Australia's strategic interests are formed not just in its periphery, but more widely in the Asia-Pacific as illustrated in its efforts in countering growing Chinese influence in the Pacific islands.



Figure 6: Political Map of the Asia-Pacific¹⁵⁰

Australia's geographical position also affects other countries' perception of its strategic importance. When viewing from the Chinese perspective, Australia may not only be in its sphere of influence in the South China Sea. The South China Sea is also in Australia's sphere of influence. This is precisely why China has been sensitive on Australia's acquisition of long-range weapon systems such as nuclear-

¹⁵⁰ "Asia Pacific Map," Maps of the World, accessed November 28, 2022, <https://www.mapsofworld.com/world-maps/asia-pacific.html>.

power submarines through the AUKUS that would allow Australia's power projection in the South China Sea. Moreover, Australia's proximity to the South China Sea and its position in the South Pacific present Australia as an attractive partner to both China and the U.S. which prompted the two countries to vie with each other in the ensuing U.S.-China competition. Although China's reaction to Morrison's call for COVID-19 inquiry tilted Australia fully towards the U.S., it was Australia's geographical significance that shaped its strategic interests and drew Australia into the diplomatic efforts of great powers.

On the other hand, New Zealand is located further to the southwest in the Pacific. Its distance from the Chinese mainland amounts up to 11,160 kilometers compared to Australia's 7,470 kilometers. Furthermore, when drawing a straight line from New Zealand to China, Australia nearly blocks New Zealand from China. Therefore, it would be difficult for New Zealand to see itself within or near China's spheres of influence as even the Second island chain is significantly far from its mainland.



Figure 7: China's Proposed Island Chains¹⁵¹

¹⁵¹ Lisa Lüdtkke, "The U.S.-China Competition in the Pacific Islands," GIS Reports, May

Therefore, the geographical locations of Australia and New Zealand result in a completely different formulation of national interests. Coupled with Australia's middle power perception, this explains Australia's more proactive involvement in Southeast Asia compared to New Zealand. Australia's proximity to Southeast Asia makes a stable Southeast Asia a primary concern in its security framework prompting it to make efforts to achieve that objective through increased involvement in the region. One such example is its security agreement with Indonesia signed twice in 1995 and 2006.

However, New Zealand's location deep in the Southern Hemisphere combined with its small power perception produced contrasting interests. As a result, New Zealand's primary security orientation was not in Southeast Asia unlike Australia. It faced no tangible security threats in its immediate surroundings which gave it less need for the security guarantee from the U.S. under ANZUS Treaty. This would have been an important factor that allowed New Zealand to pursue its independent foreign policy as it had less policy restraints. Similarly, New Zealand's security orientation in the Southern Pacific would explain its backlash against China's security agreement with the Solomon Islands.

Secondly, the different nature of Australia and New Zealand's trade with China accounts for its diverging China policy. This paper has also noted that the two countries maintain formidable economic relations with China who remains the largest trading partner for both countries. In the case of Australia, it was able to maintain its economic leverage amid China's economic retaliations because it exported crucial materials for modern industries, coal and iron ore. Although China

banned imports of Australian coal, its imports of Australian iron ore were never touched. As such, most items affected by trade bans were of low-value, making the impact of China's economic retaliation relatively mild for Australia. Australia even experienced 10 percent increase in the value of its exports to China with a rise in the prices of iron ore.¹⁵² Hence, Australia was able minimize its damages from its dispute with China and maintain unilateral foreign policy.

New Zealand's trade items with China, however, differ fundamentally from those of Australia. Although China is its largest trading partner, New Zealand's four top exports to China are dairy products, wood, meat, and travel services. These items do not hold the same level of economic leverage as natural resources vital to a state's economy as they can be easily substituted from other countries unlike Australia.

In all, it can be concluded that the role variable played the most decisive role in deciding Australia and New Zealand's China policies as the two countries' perception of their status in the international order and precedents set by previous governments fundamentally shaped the scope of their policy decisions. This is followed by societal, systemic, and governmental variables. The individual variable had minimal effect in the two countries' foreign policy.

The role variable's function in foreign policy is more relevant for Australia and New Zealand's diplomacy as illustrated in past differences. Australia and New Zealand's foreign policy showed divergence as they did in their recent China policies in two other occasions. One such major occurrence was New Zealand's breakaway

¹⁵² "Econosights: Impacts to Australia from Chinese Trade Restrictions," AMP Capital, accessed November 28, 2022, <https://www.ampcapital.com/au/en/insights-hub/articles/2022/january/econosights-impacts-to-australia-from-chinese-trade-restriction>; Jeffrey Wilson, "Australia Shows the World What Decoupling from China Looks Like," *Foreign Policy*, November 9, 2021, <https://foreignpolicy.com/2021/11/09/australia-china-decoupling-trade-sanctions-coronavirus-geopolitics/>.

from the ANZUS Treaty while a rather minor occurrence was their differences in the Pacific policies.

New Zealand's, perhaps, intended suspension from the ANZUS Treaty is the most significant divergence of Australia and New Zealand's foreign policy as Australia has continuously strengthened its security ties with the U.S. as a key regional ally while New Zealand maintained minimal security ties with the United States. When New Zealand denied U.S. naval vessels access into New Zealand ports in 1986 and passed the New Zealand Nuclear Free Zone, Disarmament, and Arms Control Act in 1987, it did so with similar perceptions of independent foreign policy reinforced by its small power perception and security frameworks originating from its geographical location. Contrarily, Australia firmly maintained its security ties with the U.S. because its geographical location and middle power perception caused it to have interests with a different regional orientation from the New Zealand. Thus, it needed the security ties with the U.S. and other collateral cooperation that came with it.

Australia's 'Pacific Step-Up' and New Zealand's 'Pacific Reset' are also different in a similar manner although they are both Pacific policies announced in late 2010s in response to growing Chinese influence in the Southern Pacific. The two policies are both focused on reengaging the Pacific island countries through substantial increases in development assistance and diplomatic exchanges. Both policies are also aimed at bolstering their security in the region. However, Australia's security orientation and focus on Melanesia in the 'Pacific Step-Up' derives from its experiences of Japanese attacks during the Second World War, geographical proximity to Pacific island countries, and its commitment to the Indo-Pacific as an ally of the United States. Köllner argues that it reflects Australia's "greater sense of

vulnerability” whereas New Zealand takes a more comprehensive approach on Polynesia given its proximity to the region.¹⁵³ Thus, the role variable as represented by historical legacies of foreign policy and self-perceptions of national power is a decisive factor in not just the China policies of Australia and New Zealand, but in their overall foreign policy historically.

Thus far, this paper examined the recent divergence in Australia and New Zealand’s China policies through the lens of Rosenau’s pre-theory and the five determining variables of foreign policy with the aim of discerning the decisive factor in the divergence. The comparative analysis of individual, role, societal, governmental, and systemic variables have yielded the following results.

The self-perception of the two countries as middle and small powers and their governments’ adherence to foreign policy traditions as explained by the role variable have been identified as the most decisive factors. The legacy of alliance commitment caused Australia to pursue increased cooperation with the U.S. at the expense of its economic relations with China. However, New Zealand’s tradition of independent foreign policy resulted in New Zealand not taking a part in the intensifying bloc politics between the U.S. and China. However, they both deviated from their China relations as the potential benefits and possibilities of cooperation with China decreased.

But an interesting point to be noted is that New Zealand’s history of independent foreign policy has always been related to the United States. The famous examples of New Zealand’s independent foreign policy such as withdrawal from

¹⁵³ Patrick Köllner, “Australia and New Zealand’s Pacific Policy: Aligned, Not Alike,” *Political Science* 74, no. 1 (2022): pp. 53-74, <https://doi.org/10.1080/00323187.2022.2064759>, 68-69.

Vietnam and its nuclear-free policy were all aimed at ‘independence’ from the United States. New Zealand’s consequence from its independent policy, the suspension of the ANZUS Treaty, may seem significant. But it was not. New Zealand still had amicable relations with the United States and even security cooperation within the Five Eyes alliance. The absence of the ANZUS Treaty did not harm New Zealand as New Zealand had no immediate security threats. Furthermore, New Zealand could easily reach out to the U.S. using their shared assumptions and history. However, if New Zealand is to pursue independent foreign policy from China, the consequences may be entirely different in nature.

Furthermore, the systemic and governmental variables offer insights into Australia and New Zealand’s China policies as the two countries were affected differently. The impact of the systemic variable was mixed as the two aspects of the variable had different effects on the two countries. China’s shift from a benign partner to a revisionist state had greater impact on New Zealand as a small state while the U.S.’ confrontational stance on China and its need for allies had a greater impact on Australia who presented a stronger ally as a middle power. Although the governmental variable had relatively less influence on the two countries’ China policies, the changes in the coalition formation of the government explain how policy underwent changes in New Zealand while it did not in Australia.

One interesting observation made in this research was the continuation of policy across governments. In Australia, despite differences in political orientation even within the same party, Liberal and Labor governments continued to take hardline stances against China. Likewise, New Zealand’s National and Labour governments maintained its ambiguous diplomatic stance vis-à-vis China. Thus, from the insights gained from comparing Australia and New Zealand’s China

policies under Rosenau's framework, one such conclusion can be made that political orientation of individual leaders, political parties, and governments may play a limited role in foreign policy decisions in established democracies, particularly in parliamentary democracies.

In discerning the determining factor, this paper chose to focus on three Australian governments across three electoral cycles and one New Zealand government across two electoral cycles. By focusing on essentially five governments, the paper faced limitations in scrutinizing the details of all governments under the timeframe. In this regard, narrowing the scope of the research in its timeframe or governments would allow future studies to have closer examinations of policy decisions. Furthermore, given that the event under study is still ongoing, future developments may change or reinforce the findings of this study.

But despite its limitations, the research holds relevance for foreign policy analysis especially for that of parliamentary democracies. Its conclusion suggests that such countries hold more predictability in their foreign policy despite changes of government and offer insights into how difficult policy decisions were made in the context of the ensuing U.S.-China competition. The cases of Australia and New Zealand also presents a case for countries in similar positions such as South Korea to refer to in their decision-making process.

The rising rhetoric of a 'New Cold War' coupled with the U.S.-China strategic competition is aggravating the dichotomy of international politics despite the clear setbacks of deglobalization and geopolitical tensions. With increasing security concerns and grim forecasts for the global economy, stability would be the top priority of countries regardless of the international political environment. But given the current trajectory of policies and analysis, it is unlikely that Australia and

New Zealand's China policies will change dramatically in the near future. It is more likely that the current trend of their China policies will continue. Hence, it is hoped that future studies such as this will be of assistance to some extent in presenting and leading to optimal policy choices for South Korea and other similar countries.

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초 록

미중 전략경쟁은 미국과 중국뿐만 아니라 양측과 중요한 관계를 맺고 있는 국가들의 외교정책을 더욱 어렵게 만들었다. 빠르게 변화하는 정치·경제적 지형은 이러한 국가들에게 적절한 적응을 요구하고 있다.

한 국가의 외교정책은 광범위한 요소들을 포괄하는 복잡한 의사결정 과정의 결과이다. 국가 내외에서 발생하는 다양한 요인들은 국익 증진을 위한 전략적 선택에 영향을 미친다. 따라서 한 국가의 외교정책을 이해하기 위해서는 특정 정책을 선택한 배경에 있는 결정 요인들을 분석해야 한다.

호주와 뉴질랜드는 유사한 정치·지리·문화적 특징을 가지고 있지만 중국에 대해서는 극명하게 다른 정책을 취하고 있다는 점에서 외교정책 분석을 위한 흥미로운 사례를 제시한다. 두 국가는 모두 오세아니아에 위치하고 있으며 풍부한 천연 자원을 가지고 있다. 또한, 모두 자유 민주주의 국가이면서 영연방의 구성원들이다. 특히 Five Eyes 정보 동맹을 통해 미국의 핵심 안보 파트너들인 동시에 중국과도 중요한 경제 관계를 유지하고 있다. 그러나 호주는 AUKUS 안보협정을 통해 미국과 함께 정치·경제적으로 중국에 맞선 반면 뉴질랜드는 중국을 견제하려는 집단적 노력에 동참하지 않으면서 중국과의 FTA를 개정하였다.

따라서 본 논문은 호주와 뉴질랜드의 대중정책이 이러한 차이를 보이는 이유를 규명하고자 한다. 이를 위해 James Rosenau의 Pre-theory를 활용하여 양국의 의사결정 과정에 영향을 미친 개인, 역할, 정부, 체계, 사회적 변수를 분석한다. 이는 미중 전략경쟁이 격화되는 가운데 중견국 외교의 결정 요인에 대한 이해를 더욱 심화시킬 것이다.

주요어: 미중 전략경쟁, 중견국외교, 예비이론, 호주, 뉴질랜드, 오키스
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