AOTEAROA NEW ZEALAND AND AUSTRALIA IN THE ‘NEW ERA OF CHINESE DIPLOMACY’

Jason Young
The Taniwha, like the dragon, has the ability to understand the essence of its environment and changing conditions — as well as the ability to adapt and survive. After all, as custodians and kaitiaki [guardians], Taniwha are intrinsically linked to the well-being and resilience of people, the environment, and the prosperity from which all things flourish.

Nanaia Mahuta, ‘He taniwha he tipua, he tipua he taniwha — The dragon and the taniwha’

‘Great-power diplomacy’ is a tiring reality of international politics. The People’s Republic of China (PRC) has entered a New Era of Chinese Diplomacy 新时代的中国外交, and the United States has elevated strategic competition with the PRC to a de jure position. New Zealand politicians exclaim that ‘[i]t is not getting any easier to be a small country’ and seek new ways of dealing with what they describe as ‘an increasingly complex global environment’. Key to that is management of two contradictions: the incongruence between the world view promoted by the PRC government and that underpinning bicultural Aotearoa New Zealand; and the incongruence between the PRC’s increased power and New Zealand’s efforts to maintain the regional status quo. Mao Zedong 毛泽东 believed ‘development arises from internal contradictions’ 内部矛盾引起发展 and promoted struggle 斗争 between competing interests to this end. New Zealand’s relations with the PRC suggest the return to an emphasis on struggle in the era of Xi Jinping Thought on Diplomacy 习近平外交思想 has narrowed the scope for bilateral cooperation.
Two Events

On 25 January 2021, New Zealand’s trade minister and the PRC’s commerce minister signed, via video call, an upgrade to New Zealand’s free-trade agreement (FTA) with the PRC. After the original signing in 2008, trade grew rapidly and New Zealand’s trade deficit shifted to a surplus. Negotiations to upgrade the FTA began in 2016, following the China–Australia Free Trade Agreement (ChAFTA) of 2015. New Zealand’s negotiations concluded in October 2019, but it was not until early 2021 that the agreement was finally signed. The timing proved challenging due to New Zealand’s absence from a joint statement of concern by the United States, the United Kingdom, Canada, and Australia about the arrests of pro-democracy politicians and activists in Hong Kong less than a week earlier, and contrasted starkly with the mounting challenges in Australia’s relationship with the PRC.

Asked for comment on Australia in a post-signing interview, the New Zealand Minister for Trade and Export Growth, Damien O’Connor — forgetting diplomacy 101 — decided to weigh in:

I can’t speak for Australia and the way it runs its diplomatic relationships, but clearly if they were to follow us and show respect [to the PRC], I guess a little more diplomacy from time to time and be cautious with wording, then they too, hopefully, could be in a similar situation.

These remarks unleashed a storm of criticism. Jeffrey Wilson of the Perth USAsia Centre argued New Zealand was ‘deliberately criticising Australia to play to a Chinese audience’. Elaine Pearson, the Australian Director of Human Rights Watch, asked whether ‘speaking with more diplomacy’ equalled ‘silence on China’s human rights violations’. In hindsight, the statement represents the last gasp of a school of diplomatic thought on China that was once dominant in New Zealand, as it was in Australia. As
former New Zealand prime minister John Key put it in 2019: ‘If we treat that relationship properly, we will continue to prosper off the back of that.’

The second event occurred during a rare speech on the relationship by New Zealand Foreign Minister Nanaia Mahuta, quoted at the start of the chapter. The address employed the metaphor of the ‘taniwha and the dragon’ or ‘two dragon relations’ 双龙关系, as some Chinese media dubbed it. Mahuta emphasised New Zealand’s bicultural, values-based foreign policy and promised a ‘predictable approach through diplomacy and dialogue’. She raised difficult issues such as Hong Kong, Xinjiang, development aid in the Pacific, and cybersecurity, and stressed that New Zealand makes ‘decisions independently, informed by our values and our own assessment of New Zealand’s interests’. This was consistent with the government’s stated goal of having a ‘mature relationship’ with the PRC. It also echoed former Australian prime minister Kevin Rudd’s zhengyou 讹友 philosophy, which was that of a friend who would nonetheless speak hard truths when necessary.

In the media question and answer session that followed her speech, Mahuta commented on expanding the remit of the Five Eyes alliance. New Zealand had recently failed to add its name to a fourteen-country joint statement on the outcome of the World Health Organization’s investigation into the origins of COVID-19, leading to the accusation that, in the words of Will Glasgow and Ben Packham in The Australian newspaper, ‘New Zealand shuts its eyes to appease China’. Mahuta stated New Zealand would not ‘invoke the Five Eyes as the first point of contact on messaging out on a range of issues that really exist outside of the remit of the Five Eyes’ and New Zealand preferred to raise human rights concerns through multilateral forums. The next day, Prime Minister Jacinda Ardern stated New Zealand would use ‘appropriate platforms’ to raise democracy and human rights concerns with the PRC and asked: ‘Is that best done under the banner of a grouping of countries around a security intelligence platform?’
Political fallout across the Tasman prompted a hasty announcement of the biannual Australia–New Zealand Foreign Minister Consultations between Mahuta and her Australian counterpart, Marise Payne. Executive Director of the Australian Strategic Policy Institute and an outspoken critic of the PRC, Peter Jennings, called for New Zealand to be removed from the intelligence-sharing agreement. William Stoltz, a visiting fellow at the National Security College at The Australian National University, demanded Australia ‘reset the relationship’ with New Zealand. Commentators in the PRC, like Wang Miao 王淼, a reporter for the Chinese edition of the Global Times with experience reporting from both New Zealand and Australia, praised New Zealand for refusing to be ‘anti-China foot soldiers for the United States’ 美国反华的马前卒. An anonymous op-ed in the English edition of the Global Times suggested New Zealand was distancing itself from the ‘anti-China clique’ (the Five Eyes) to ‘yield concrete benefits’. Before half the year was out, two events had exposed deep contradictions in New Zealand’s relations with the PRC.

A Place Beyond the Transformative Power of Civilised Behaviour

In the New Era of Chinese Diplomacy, PRC officials seek to increase ‘international discourse hegemony’ 国际话语权, push back against non-PRC narratives, and ‘tell the China story well’ 讲好中国故事. As we will see, officials have pushed back strongly on human rights concerns raised by New Zealand. This has strained the relationship and reignited debates
about whether New Zealand is over dependent on Chinese markets, whether New Zealand is vulnerable to economic retaliation for these positions and whether there should be a trade diversification strategy. For small countries, disagreeing with great powers can come at considerable cost, as demonstrated by the US withdrawal, more than three decades ago, from its alliance commitment to New Zealand under the Australia, New Zealand, United States Security Treaty (ANZUS) in light of New Zealand’s nuclear-free policy and the implications for visits by US Navy ships; the United States has a policy of ‘neither confirming nor denying’ which of its naval ships is carrying nuclear weapons. Nevertheless, according to a survey by the Pew Research Center, 80 percent of New Zealanders support trying to ‘promote human rights in China, even if it harms economic relations’.24

This position is underpinned by growing awareness of Aotearoa New Zealand’s own colonial history and the importance of efforts to address historical wrongs and their institutional legacies. In her ‘Taniwha and the dragon’ speech, Mahuta pledged that as ‘New Zealand’s first indigenous female foreign minister’, she would ‘bring forward a perspective founded in Te Tiriti o Waitangi [the Treaty of Waitangi] and our bicultural pillars’ and advocate for ‘the recognition and inclusion of all peoples — including indigenous and ethnic minorities’. This is a position anchored in diplomacy and dialogue but also one that makes it ‘necessary to speak out publicly on issues’ such as Hong Kong and the treatment of Uyghurs in Xinjiang.

In May, officials from the Embassy of the PRC in New Zealand and the Xinjiang Uyghur Autonomous Region co-organised an online discussion titled ‘Xinjiang is a Wonderful Land’.25 Shewket Imin, Director of the Standing Committee of the People’s Congress of the Xinjiang Uyghur Autonomous Region, and Wu Xi, the PRC’s Ambassador to New Zealand, gave speeches followed by glowing testimonials and propagandistic videos about how rosy life was in Xinjiang. An online question and answer session followed and highlighted the distance between the views of PRC officials and the New Zealand
media. Similar events held in other countries, including Australia, elicited comparable media reactions.²⁶

The New Zealand event attempted to address official statements, deepening public concern, and media criticism of the PRC’s policies in Xinjiang. Mahuta and Payne had issued a statement in March raising ‘grave concerns’ about ‘severe human rights abuses’ in Xinjiang and had called for the PRC ‘to grant meaningful and unfettered access’ to ‘United Nations experts, and other independent observers’.²⁷ Chinese officials were tasked with countering this view by ‘telling the China story well’, but New Zealand media and politicians were not swayed. Near the end of the event, and following strained exchanges between the media and the hosts, Gerry Brownlee, foreign affairs spokesperson for the opposition National Party, suggested to the Chinese Ambassador that ‘the effort appears to be to say, “nothing to see here, move on”’ and concluded, ‘I am more concerned now than I have been at any point’.²⁸

This ill-conceived public relations exercise clearly backfired. It helped reignite calls in New Zealand to introduce legislation that would allow the government to sanction countries autonomously based on human rights concerns²⁹ and demonstrated the limits of Chinese diplomacy in the New Era. The following month, in June, New Zealand joined Australia and forty-two other countries, including the United States and the United Kingdom, in a statement to the UN Human Rights Council raising serious concerns about Xinjiang.³⁰ A PRC-led counter-statement criticised this as ‘unfounded allegations against China’.³¹

A spokesperson for the PRC Embassy attacked an earlier statement by New Zealand and Australia on the erosion of the electoral system in Hong Kong³² as ‘flagrant interference’ 横加干涉.³³ A similar response followed a parliamentary motion declaring ‘grave concerns’ about ‘severe human rights abuses’ in Xinjiang, which, as with a comparable one in Australia, controversially stopped short of declaring that they amounted to ‘genocide’.³⁴ In early May, a spokesperson for the PRC Embassy called
on New Zealand to ‘immediately stop this mistaken course of action’ lest it negatively impact the relationship.35

Such statements furthered speculation that the PRC would adopt measures aimed at punishing New Zealand economically, as it had done with Australia. (See the China Story Yearbook: Crisis, Chapter 9, ‘Economic Power and Vulnerability in Sino-Australian Relations’, pp.259–274). The share of New Zealand goods exported to the PRC had grown, even during the pandemic, and amounted to more than 31 percent of New Zealand’s total exports in the year to June 2021.36 Some industries (45 percent of water exports, 42 percent of sheep, 39 percent of seafood, 35 percent of dairy, 33 percent of beef)37 and entities (almost 50 percent of exports by Māori authorities)38 are more exposed than others. Trade is widely viewed as central to the economic prosperity of New Zealand’s small economy. What was initially seen as an opportunity to diversify New Zealand markets has, through the rapid growth of the trading relationship with the PRC, led to new concerns about overdependency on that market.

At the end of May, New Zealand joined as a third party to Australia’s World Trade Organization (WTO) case around the imposition of an 80 percent tax on barley from Australia. According to a Ministry of Foreign Affairs and Trade statement, New Zealand joined ‘to influence the interpretation and application of WTO agreements on matters that are
also of direct interest to us’. Mahuta argued New Zealand ‘cannot ignore ... what’s happening in Australia’ and warned ‘it may only be a matter of time before the storm gets closer to us’. She reminded business that reliance on ‘any one market puts us in a very difficult position’. Even so, New Zealand exporters continue to trade extensively with China. Prime Minister Ardern stated simply: ‘Managing the relationship is not always going to be easy and there can be no guarantees.’

The events of 2021 demonstrate that New Zealand may seek, as Mahuta has argued, ‘to manage our disagreements’ with the PRC, ‘mindful that tikanga [proper conventions] underpinning how we relate to each other must be respected’, but there is no guarantee this can be achieved. Instead, as PRC officials have more vigorously defended state positions, the possibility of economic retaliation has been overtly signalled by both Mahuta and Ardern. It is unlikely that were he to visit New Zealand today, Xi Jinping 习近平 would still characterise the bilateral relationship as ‘a model of relations’, as he did in 2014, though notably, this narrative remains strong in Chinese media. Faced with consistent and increasingly public statements from New Zealand on human rights issues, PRC officials could now just as easily consider New Zealand in terms of an ancient concept that Geremie Barmé has translated as ‘a place beyond the transformative power of civilised behaviour’ 化外之地.

**Seeing China with Another Eye?**

At the end of May, Australian Prime Minister Scott Morrison visited Queenstown for the annual Australia–New Zealand Leaders’ Meeting. As shown above, media commentary in New Zealand, Australia, and the PRC leading up to the meeting played up the idea of a growing rift on China policy between the two allies. The visit was clearly planned to change that impression through a strong show of unity. The two leaders acknowledged ‘an era of increasing strategic competition’ and outlined their ‘shared
commitment to support an Indo-Pacific region ... free from coercion'. The following month, Ardern stated that the Pacific is New Zealand’s place in the world but because it is an ‘increasingly contested region ... we also see the Indo-Pacific as central to our interests’. Ardern went on to describe New Zealand’s relations with the PRC as ‘one of our most significant, but also one of our increasingly complex relationships’. Two further events illustrate that complexity.

Just six days after this speech, the minister responsible for the Government Communications Security Bureau, Andrew Little, stated that New Zealand had ‘established links between Chinese state-sponsored actors ... and malicious cyber activity in New Zealand’ and was ‘joining other countries in strongly condemning this malicious activity undertaken by the Chinese Ministry of State Security’. This represented a rare official, public designation of the PRC as a malign actor.

Earlier in the year, the government had issued several country-agnostic security guides to protect members of the New Zealand Parliament, locally elected representatives, government officials and academic institutions and researchers against espionage, foreign interference and information theft. Such changes reflect four years of public debate about and scrutiny of foreign interference in New Zealand — focused almost exclusively on the PRC. This debate was galvanised by events in Australia and the high-profile work of Anne-Marie Brady, whose 2017 publication, ‘Magic weapons’, introduced a new and powerful narrative that PRC-linked activities in New Zealand were subverting democracy and sovereignty.

A further report from Brady argued New Zealand–PRC academic links were being exploited by the PRC for military purposes, and created headlines when the University of Canterbury placed Brady under review, prompting a petition of support signed by 100 international scholars and an ombudsman’s investigation into the university’s decision not to release information relating to the review. Further controversy and speculation emerged in 2020 when two members of the New Zealand Chinese community died tragically in a car crash on their way to petition
parliament about concerns of influence by the Communist Party of China. The 2020 retirement of two New Zealand MPs of Chinese ethnicity returned to the headlines in 2021 when unnamed sources claimed ‘that their exits from political life came after intelligence agencies flagged concerns about the MPs’ relationship with the Chinese Government’. These shifts are paralleled by changes in New Zealand public opinion. A Pew survey released in 2021 found 67 percent of New Zealand participants have an unfavourable view of China. The annual Asia New Zealand Foundation survey, also published in 2021, found an increase from 22 percent to 35 percent of participants perceiving China as a threat. Incidents of discrimination towards Chinese in New Zealand are on the rise. The Human Rights Commission found that ‘more than half of Māori and Chinese respondents experienced some form of discrimination [during COVID-19], and [that] Chinese had much greater concerns about their personal safety’. In the 2018 census, 5.3 percent of the New Zealand population self-identified with the ‘Chinese ethnic group’, of whom almost three-quarters were born overseas. The historical aspiration of white settlers to build an ‘ideal society’ led to discriminatory policies and racism towards Chinese settlers (and others) in colonial New Zealand. Following acknowledgement of and an apology for these wrongs at the turn of the twenty-first century, the conditions for a more inclusive and socially cohesive society emerged. The new era of strategic competition, replete with concerns about the PRC’s diaspora policy and foreign interference, threatens that cohesion.

A second event illustrates growing concern in government about the PRC’s positions on international law. In August, the New Zealand Permanent Mission to the United Nations submitted a note verbale to the UN Commission on the Limits of the Continental Shelf, setting out New Zealand’s legal position on the South China Sea dispute. This took a much harder line than previous statements. It affirmed New Zealand’s support for basic freedoms of navigation and stated there ‘is no legal basis for states to claim “historic rights” with respect to maritime areas in the South
China Sea’, as well as noting that Wellington regards the 2016 South China Sea Arbitral Award as ‘final and binding on both parties’.\(^{64}\) The Permanent Mission of the PRC presented a counterstatement: ‘China does not accept the positions of New Zealand in its Note Verbale.’\(^{65}\)

These events demonstrate growing unease in New Zealand about the PRC’s power and influence and the increasingly hawkish postures of other countries in the region. In December, the New Zealand Defence Assessment identified strategic competition (and climate change) as having ‘the greatest impact on New Zealand’s security interests’ as well as stating that ‘China’s rise is the major driver for this competition’.\(^{66}\) Australia’s security alliance with the United States, its involvement in the Quadrilateral Security Dialogue with the United States, India, and Japan (the Quad) and its decision to acquire nuclear-powered submarines through the AUKUS agreement in September present a posture of deterrence that has confronted this challenge in a way that New Zealand has not. Commentators like Wang Miao 王淼 argue that of all the Five Eyes partners, New Zealand alone can ‘see China with another eye’ 另眼看中国.\(^{67}\) Others, such as Yu Lei 于镭, a well-known critic of Australian policy towards the PRC and the Director of the Pacific Island Research Centre at Liaocheng University, argue that New Zealand’s economic interests will ensure its absence from the broader competition over the regional order.\(^{68}\) This is a misreading. As shown above, the New Era of Chinese Diplomacy has met resistance in New Zealand as it has elsewhere in the region. New Zealand’s alliance with Australia, for better or for worse, ties its response to that partnership.

In the long run, only an inclusive, rules-based regional order that is capable of constraining great-power adventurism can achieve lasting security and prosperity for small countries. That is the reason New Zealand and Australia expend so much diplomatic effort on coalition building in the Pacific and Asia, through initiatives like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and regional organisations like the Association of Southeast Asian Nations (ASEAN).
In 1926, Mao wrote: ‘[W]ho are our enemies and who are our friends?’ 誰是我們的敵人？誰是我們的朋友？This is the question regional leaders are now asking and, consequently, the conditions for inking inclusive regional initiatives are worsening. The regional order is shifting, but how remains unclear, suggesting that New Zealand and Australia need to prepare for many outcomes, including ongoing frictions with the PRC. In the words of Hedley Bull, Australia’s most influential international relations scholar: ‘It is better to recognise that we are in darkness than to pretend that we can see the light.’

Coda

| He waka eke noa, 处境相同, we’re all in this together. |

PRC diplomats have embraced what Matthew D. Johnson, contributor to Reading the China Dream, describes as the ‘common denominator’ in all the policy formulations of Politburo Standing Committee member and leading political theorist Wang Huning 王滬宁 a ‘shared vision of a China in which the Party rules indefinitely, and of a world in which China is a more influential power’.69 Like the taniwha, with its ability to adapt to and survive changing conditions, New Zealand and Australia will need all their smarts as this New Era of Chinese Diplomacy beds in. As Allan Gyngell, President of the Australian Institute of International Affairs, reminds us, there are ‘other tools’ besides AUKUS ‘for dealing with Beijing: persuasion, shaping, multilateral advocacy, and coalition building’.70 In the spirit of zhengyou, it would be wrong not to end with the words that invoked such outrage in the Australian press. After all, in a broader sense at least, ‘a little more diplomacy from time to time’ can be a good thing.