

Between a rock and a hard place: What can Australia do as US-PRC rivalry intensifies?

Speakers: Professor Zhiqun Zhu, Professor of Political Science and International Relations, Bucknell University; US Fulbright Scholar, Griffith University

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Moderator: Professor James Laurenceson, Director, Australia-China Relations Institute, University of Technology Sydney

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Dr Corey Lee Bell:

Good afternoon members of the audience and special guests. Before we begin the proceedings, on behalf of all those present, I would like to acknowledge that this webinar is hosted on the lands of the Gadigal people of the Eora nation. I would also like to pay respects to the Elders past, present, and emerging, acknowledging them as the traditional custodians of knowledge for this land. This session will now be recorded. We'll record audio, screen share, and our presenters. We will not be recording any video or audio input from the audience.

Welcome to all UTS students, staff, and all friends of ACRI and UTS. My name is Corey. I'm a Project and Research Officer at the Australia-China Relations Institute at the University of Technology Sydney (UTS:ACRI). UTS:ACRI is an independent, nonpartisan, research institute established in 2014 by the University of Technology Sydney. Chinese studies centers exist in other Australian universities. UTS:ACRI, however, is Australia's first and only research institute devoted to studying the relationship between these countries. UTS:ACRI seeks to inform Australia's engagement with China through research, analysis, and dialogue grounded in scholarly rigour. If you want to learn more about UTS:ACRI and the Australia-China relationship, details are available on our website at australiachinarelations.org.

Today we are happy to host this webinar, 'Between a rock and a hard place: What can Australia do as US-PRC rivalry intensifies?'. This discusses Canberra's options in terms of managing its relationship with China and the United States, and advancing Australia's national interests as great power competition continues to heat up and impact our region. The main presentation in this webinar is from Professor Zhiqun Zhu, a Professor of Political Science and International Relations at Bucknell University and currently a US Fulbright Scholar at Griffith University. The presentation will be followed by a discussion featuring Professor Zhu and Dr Lai-Hai Chan, senior lecturer in the Social and Political Sciences Program, School of Communication at UTS. This will be moderated by a person that needs no introduction, UTS:ACRI's Director and esteemed economist, James

Laurenceson. For the audience, if you'd like to submit questions, please do so via the Q&A button on the bottom bar. I will now hand you over to Professor Laurenceson.

Professor James Laurenceson:

Thanks very much, Corey.

I hope I'm coming through loud and clear. Look, it's our real pleasure to host this webinar today. I think there is tremendous value in having visitors based overseas – in Professor Zhu's case – in the US, spend some time in Australia, become acquainted with Australia's discussion around China, around the US-China strategic competition, and then share those views with a broader Australian audience. So, that really is our task here. And good on the Fulbright Commission and the US Embassy for supporting Professor Zhu's visit. I hope in the coming months we might be able to do a similar event with some colleagues based in China. And it's great to have my UTS colleague, Lai-Ha Chan, joining us as well today.

Look, we're going to start off with about a 10-minute presentation from Professor Zhu, and then we're going to a moderated Q&A, and after that, some questions from the audience.

So, Professor Zhu, I might go straight to you. Let's hear – you've spent the last few months in Brisbane, but you've traveled to Sydney, I know that. And I think you've been to Canberra as well. Keen to hear your thoughts on how Australia can manage this seemingly incredibly difficult task. As US-China rivalry heats up, how can Canberra best position itself? Over to you.

Professor Zhiqun Zhu:

Thank you, Professor Laurenceson. And hello from Brisbane, I want to thank you Professor Laurenceson and the Australia-China Relations Institute for organising this event. I look forward to a stimulating dialogue with Dr Lai-Ha Chan, Professor Laurenceson and the audience.

We all know US-China competition is a defining theme of our time, much scholarly and policy research has focused on the two great powers, and how their policies are affecting international security and global economy. What is understudied is the role of third parties stuck between the two great powers. And Australia is one of such third parties.

So today, we're going to talk about what Australia can do as US-China rivalry intensifies. Since I only have 10 minutes for my opening remarks – well, nine and a half now – I will briefly cover three points. Number one, the third party's dilemma from an IPE [international political economy] perspective. Number two, where does Australia stand now in the US-China rivalry? And finally, Australia's options.

So, very quickly, point number one. The IPE theoretical perspective. We all know that the dynamic between economics and security is at the core of international political economy or IPE. The economics and security nexus is a key concept in IPE. Most research on the economics-security nexus focuses on how a state deals with economic and security challenges from one or multiple sources in its external relations. Now, facing conflicting economic and security interests, many countries have adopted a strategy called hedging. Basically, it means you do not put all your eggs in one basket. Now in practice, this countries wish to maximise trade and investment ties with China, and welcome China to join their development. But they also feel the need to maintain close security relationships with the United States. This is what I call a dual-track structure in IPE, and this structure will not change any time soon. Countries like Australia that have huge stakes in maintaining good relations with both the United States and China will continue to face this dilemma in their foreign policies. So, that's number one.

Number two, my second point. Where does Australia stand now, and how have other US allies and partners managed relations with the United States and China? Australia is not alone being stuck between a rock and hard place. US allies and partners all face this dilemma. But they are dealing with the challenge very differently. Now, for example, the South Koreans have developed this concept called *anmi gyeongjung* (안미경중) or *ānměi jīngzhōng*安美经中, which means relying on the United States for its security interests, and on China for its economic interests. So, *anmi gyeongjung* is evident in South Korea's cultivation of deep economic and diplomatic ties with China, and the maintenance of security guarantees through the US-ROK [Republic of Korea] alliance regardless of the president's party affiliation. Now recently, for example, in a way not to offend China, President Yoon Suk-yeol, who is perceived to be more pro-US than his predecessor, Moon Jae-in, actually avoided meeting with Nancy Pelosi as she traveled from Taipei during that the controversial trip. And, President Yoon and President Xi Jinping exchanged congratulatory notes to celebrate the 30 years of diplomatic relations between the two countries.

Now, Singapore is a partner of United States. It's a small country that has played an outsized but positive role in international affairs. Prime Minister Lee Hsien Loong has repeatedly said, 'Don't force us to choose sides in the big power rivalry.' The message from Singapore has been clear: 'we want to maintain strong relations with both of you. Furthermore, you guys need to resolve your differences peacefully and diplomatically.' And Singapore has been consistent and clear in stating its position.

Now, the final example I want to give is Israel. There's no doubt that US support is vital for Israel's security. But Israel also wants to maintain a productive and friendly relations with China. You may know that Jews have a special relationship with the Chinese. In more contemporary history, when the Jews were escaping from wars, pilgrims, and the Holocaust during World War I and World War II, they found safe haven in China in Harbin and Shanghai respectively. So of course, this is not the only reason why Israel wants to maintain friendly relations with China. Other perhaps more important reasons include seeking China's mutuality in the Israel-Arab conflict, and welcoming China to invest in Israel. A story that is often told about Israel's dilemma is this new port in the city of Haifa. A Chinese company, the Shanghai International Port Group, won a bid to build a new port in 2015. The new Haifa port has caused grave concerns in the United States since it is adjacent to where the US 6th Fleet warships routinely dock. So, both the Trump and Biden administrations exerted tremendous pressure on Israel to restrict cooperation with China.

Israel anyway went ahead with the construction of the new port by the Chinese company, which actually went operational in September 2021, a year ago. And now the Chinese company is managing the new port for 25 years. And Chinese are also finalising a Free Trade Agreement, which is China's first with a country in the Middle East. So, most countries in the Pacific prefer to maintain good relations with both United States and China. A few countries, particularly Japan, Great Britain, and Australia, are following the United States very closely in countering China at the expense of their relations with China. Now, Australia is a member of all major US-led small groups aimed at countering China, including the AUKUS, the Quad and Five Eyes. Australia has also joined the United States in military exercises in the South China Sea.

Now, the questions are – several questions: is Australia happy with the current situation between the United States and China, and between Australia and China? Is Australia helping to raise or lower tensions in the Asia-Pacific? And what best serves Australia's national interests? We all know that Australia has made some independent and wise decisions before. For example, then-Opposition Leader, Gough Whitlam, traveled to China in 1971 around the same time as Henry Kissinger secretly visited Beijing. Whitlam normalised relations with China in December 1972 shortly after taking office – actually, six years ahead of the United States. In 2015, Australia together with many other US allies joined the Chinese-initiated Asian Infrastructure Investment Bank despite opposition from the United States. So, clearly, Australia knows how to take care of itself and defend its own national interests.

Now this comes to my final and third point. What can Australia do? Being a key ally of the United States, I think Australia will side with the United States by default. But as some of my Australian colleagues told me, though

Australia and the United States are allies and share many values, their interests do not completely converge. And when Australia's interests are not served, Australia should say no and should not follow Washington uncritically.

Now if we apply the economics-security nexus in IPE here, clearly, it's in Australia's interests to maintain good relations with both United States and China. I think probably most Australians would agree on this, although they may disagree on what Australia should do. So, as an outsider, please allow me to offer some food for thought. Australia can continue to stand firmly with the United States and follow the US leadership in confronting China. Or, it perhaps can try to maintain some autonomy within the alliance and develop a more independent foreign policy like it did in the past. And furthermore, it can perhaps help reduce tensions between the United States and China, and promote peace in the region. US-China relations have been poisoned by domestic politics on both sides, and their competition is really zero-sum, even negative-sum. This is not in their own interests, and not in the interest of the international community.

Unfortunately, it seems to me Washington and Beijing are unable to manage their rivalry constructively. And the military conflict is a real possibility as demonstrated in the Taiwan Strait crisis recently. So, it is urgent for other countries to help them to stop the continued deterioration of the relationship before they head towards collision. Australia, I think, is in a unique position to play a leadership role in this effort. It's a major ally of the United States, and relations with China have shown improvement with the new government in Canberra. To deflect pressures for taking sides in the great power competition, Australian perhaps can form a middle power coalition with like-minded countries facing similar dilemmas. Such a coalition serves every country's interest and sends a clear message to the United States and China that they should lower tensions, and not impose their wills upon others.

More specifically, Australia can encourage both the United States and China to cool down in the Taiwan Strait, and help them to reach *modus vivendi*, to restore the delicate status quo. In South Pacific, Australia as the leader of the region can perhaps form a regional organisation, something like the South Pacific cooperation organisation, something similar to a China cooperation organisation, to bring all parties together, including the United States and China. And if this sounds too ambitious, then perhaps we can make use of the existing Pacific Islands Forum and the new partners in the Blue Pacific initiative. I think pushing Chinese influence out of the Pacific is going to be futile, because China already has a sizable presence here, and the regional countries generally welcome Chinese investment in the region.

The priorities of Pacific countries are, number one, combating climate change. Number two, promoting development. And China can contribute positively to both. Why don't we get China involved here? So I think, I really believe Australia can serve as a bridge between the United States and China, and help bring them together in Asia-Pacific, and build trust through cooperation in region. This will serve everybody's interest. Now, before I conclude, I think what I have proposed is perhaps too optimistic and largely based on realism or idealism. I think we need to inject a dose of realism in our discussion. Let's be frank, to take any positive actions and move forward, the Australian government faces double pressures now, externally, from the United States, and internally, from an anti-China political environment. So unfortunately, it's easier said than done in terms of how Australia can help lower tensions between the United States and China. So, what we need now is political courage and wisdom.

And I will stop here. Sorry if I have used more than 10 minutes.

Professor James Laurenceson:

No, that's fine, Professor Zhu. And it always is the case that things are easier said than done, right? Look, just a couple of immediate thoughts came to my mind. To hear you say that, in your view, it appears that, right now, the US and China are unable to manage their rivalry constructively – that's very confronting for an Australian audience to hear – but it was interesting that when you were talking about Australia's agency that is

responding to that situation, you were actually talking up Australia's agency. So for example, you talked about the possibility of Australia playing a mediating role, drawing the US, China and Australia into collaborative projects in the South Pacific, building a middle power coalition to deflect pressure from both great powers, and so on.

But then, you did finish by saying, 'Well, look, maybe that's too idealistic.' So, I'd like to, well, we're all academics, so we're used to the process of peer review. So, in that spirit, Dr Chan, I'd like to bring in you immediately, and just ask for your assessment of the viability of the strategy that Professor Zhu is laying out. So, just to be clear, any strategy, of course, does not guarantee success. But what I'm asking is, does that seem like a reasonable path forward? At least when benchmarks against alternative paths that Australia might take, such as fully aligning itself with the US in any and every decision. Over to you, Dr Chan.

Dr Lai-Ha Chan:

Yes, thank you. Thanks for having me here, and lovely to hear Professor Zhu's presentations. It's very excellent.

So, I think you already mentioned about that this is broader ideal situations. So of course, we need to think about what is the reality first. So, I think the subject in itself is basically very interesting. I also hope that one day this kind of idealism will succeed – eventually. However, if we can get back to the reality, in my personal opinion, this is kind of a mission impossible. It's very difficult, if not, impossible for Australia to act as a mediator in the great power competition between the US and China. Just say, I take an example or metaphor for example: if we are in the middle of the day and just after lunch or even maybe before lunch, if I say Australia want to holding a banquet to invite the two disputing parties to sit down together and try to resolve the conflict. And so, Australia prepare[s] a huge banquet and decide[s] the whole menu, the question is, we need to think about whether that menu is suitable for both sides, the disputing parties. Do they accept that? Will they come and sit down? And will they be allergic to the food? And, Australia, you need to understand what kind of food you need to offer. So, that is just a metaphor.

But from a, excuse me, if we can get back to the academic point of view, so conflict management and a third-party mediation in international relation, if I can use this the academic point, involving, basically, four key features. So, about the conflict management. The first key feature is about the nature of the disputing parties. So, the question is, will China [be] happy to listen? So I would say, at this day, no. Because the mindset in Beijing, basically, is that China is the great power, and all other countries basically, regardless, whether you are middle power, small power, from the Chinese perspective, they are all small powers. And so, the hierarchy mindset from the Beijing, the regime, is very deep. And so, it would be difficult to change that.

Second feature about this side of conflict management or the third-party mediation is about the nature of the dispute itself. So, the dispute itself, you see the great power rivalry currently, we can name, as you also mentioned about the Taiwan Strait and the South China Sea, and including the high-tech competition as well. So, if we're looking at the first two, the South China Sea issue and the Taiwan issue, from China's perspective, I don't think this is negotiable. There's no compromise, because from China side, this is a sovereignty, this is a domestic issue, this is part of the country sovereign rights as well. So, there's no compromise from the Chinese perspective. And if you're looking at the high-tech, like the 5G network or even the, right now, the semiconductor from the US perspective, that's also basically non-negotiable.

So, the nature of the dispute itself is another point. So, we are looking at the two from the great powers' perspective. We get back to the Australians, that side. So, there's another two more key features about this like the third-party mediation, it's about the identity and characteristic of the mediator, and the strategies, and tactics with the mediator users. And so, the mediator basically need[s] to be seen as kind of a neutral position. I'm not saying that this is an absolute term, because all of the country, even individual country, they also have to tilt to one side rather than being neutral, but not in an absolute term, but rather being seen more or less as a neutral position. So, in this regard, I would say if you're looking at the Asian country or in

the region, probably ASEAN, or even Singapore, could act as the mediator role but not Australia, because Australia, as we say, you are already tilting to the US, and how can [China trust you] because China [will] assume you are the US ally and all of this, the current last few years, particularly the foreign policy, is already telling China that you are already picking the side. There's no neutral position, so China will not accept that. And in terms of the identity and characteristic, so, that is a thing. And final point about this side, the strategy and tactic, is China, basically, will not accept the authority of the tribunal or, for example, even though you are putting two great power on the table and try to negotiate, but will China listen? So, China even do not accept the international law under the international tribunal. How will China accept the Australians putting the plan, putting the banquets on the table? So, that is my two cents.

Professor James Laurenceson:

All right. Thank you very much Dr Chan.

So, we have some principles here that we can all coalesce around, but when translating those into reality in your view it's going to be quite a challenge, if not, mission impossible.

Professor Zhu, I'd like to come back to you. If I could just stick with these principles for a moment, because I think, whether they're realistic or not, they're worth interrogating for a couple of other reasons. You mentioned a middle power coalition to deflect pressure from both great powers. Now I get the concept. In Australia, of course, we're very familiar with pressure from Beijing. During your time here, you would've heard many Australians tell you about, after we called out China's island-building in the South China Sea, after we blocked Huawei from participating in Australia's 5G roll-out, after we introduced foreign interference legislation, there were consequences. They included the cutting off of the senior political dialogue, economic sanctions, and we should also be clear, even extending so far as what looks to me to be hostage diplomacy. And I think that we should raise the plight of those Australian citizens detained in China as, at every opportunity, Cheng Lei and Yang Hengjun. So, there's pretty serious consequences there. Professor Zhu, but you were talking about deflecting pressure from both sides. So, I just wanted to ask you, in your mind, does the Australian public have to sensitise themselves to the possibility of retaliation or repercussions from the US if we don't go along with what Washington wants, because in Australia we talk about the ANZUS being 100 years of mateship, and an unbreakable alliance, and so on. But, is it possible that Washington could hit us with coercive pressure as well?

Professor Zhiqun Zhu:

Yes. So, in terms of whether Australia faces critical economic and diplomatic pressures from United States, should Australia have more autonomy in alliances with the United States? What about AUKUS and nuclear submarines? Have there been enough public debates on such critical issues before decisions are made? I think those questions have to be answered by the Australians.

Now, you mentioned the pressure from China. I think if you look at the history of Australia-China relations in the past 50 years, there have been ups and downs, and no doubt, the past few years are definitely one of the lowest points. You mentioned the Chinese pressure campaigns and economic sanctions against Australia, which I believe are really disturbing from Australia's perspective. But to be fair, I think Australia has also contributed to the deterioration of the bilateral relationship. I think some Australian politicians and Australian media have somehow determined that China is the enemy, and they operate based on this overblown threat from China.

Now back to the hostage issue, you mentioned Cheng Lei. I think, the other day, if I remember correctly, the Chinese Ambassador, Xiao Qian, has said he would be willing to help on the humanitarian basis. I think that's a positive sign. The defence ministers and the foreign ministers from the two countries have met. And there are also some talks about possible meeting between Xi Jinping and Anthony Albanese in Bali, Indonesia

next month. So, I like to maintain some optimistic attitude here. I think both sides seem ready to reset the relationship. We've got to be optimistic in this crazy world. So, yes, the pressures from China, and also potentially from the United States, are real, but what can we do about it? I think we still need to move forward in terms of managing the relationship. We talk about two sets of relationships here. Australia-China and Australia-United States.

And by the way, I'm talking about the bridge between United States and China. I'm not necessarily talking about serving as a mediator. I think mediator is such a strong word. I don't think anybody is interested in mediating between the China and United States. I think Dr Chan is right. I don't think United States and China would even listen to anybody trying to mediate between. What I'm suggesting is basically to present a consistent and concerted voice to these two powers. Countries like Australia and others, other US allies, and partners especially. Just tell them, 'Look, this is not the situation we like, and this is detrimental to international community. It hurts everybody's interests. So, you guys need to really sit down and lower the tensions, talk to each other diplomatically.' So, that's my original thinking. I'm not really suggesting that somebody should be a judge or a mediator between the two powers. Anyway, that's a clarification. Thank you.

Professor James Laurenceson:

Thank you for that.

I was interested to read the former Australian ambassador to Washington Joe Hockey's memoirs recently, where he claims that President Obama asked the Australian government to stop Australian iron ore sales to China. I find that quite hard to believe, but that's his claim. We certainly know that President Obama put pressure on the Australian government to not join the Asian Infrastructure Investment Bank, weren't happy about the Port of Darwin. So, it is interesting for an Australian audience, because we're hit with Chinese sanctions and they're real, I'm not disputing them at all, but it's worthwhile sort of broadening the horizon to thinking about the pressures that could come from both sides.

Dr Chan, can I go to you on a similar question? I think it's always useful to not just look at the world from Sydney, or Canberra, or Melbourne, but to think about how our region is viewing this rivalry. When Indonesia, or when Singapore, or when Korea looks at the Philippines, when they look at the United States and China, do you think they're equally worried about pressure coming from both of the great powers? Are the United States and China qualitatively different in this respect? Because I think in Australia we have this view that they are. China puts in place coercion of measures. The United States doesn't. Now, I was wondering if you had any comments on how the region views that issue. I think you're on mute. I think you're just on mute.

Dr Lai-Ha Chan:

Yes, sorry.

Professor James Laurenceson:

There we go. No problem.

Dr Lai-Ha Chan:

Because I lose my cursor, I couldn't really figure it out. Yeah. Thanks, James.

I think this is a very tough question. Answering your question, I think it would be better to separate into two different parts. The first part, I would say yes, in terms of, if you're looking at all this economic sanction, we can see China toward Australia, toward the Philippines before, and other countries, et cetera, so, the US did use the same strategy to advance its interest as well. And I wouldn't say that US never used that. So, yes,

then the both great powers, they use the same strategy, use the same efforts as a political pressure to try to advance their interest. However, if you looking at the mechanisms, so, basically, it's quite different. So, why the Asian country will worry, or not just Asian country, even back to Sweden as well, they are also worried about whether you would have this economic sanction. So, from the US, they did have the economic sanction, but those economic sanctions are more like open in their perspective, or open, more specific. And they even have the domestic law to amend, to the administration about this, implement this economic sanction. I think an example like the US, if you say, more recently you can see the Russia, the economic sanction in Russia, in the war of Ukraine, and also Iran before, and US also used the economic sanction against Iran. But Iran, you can see they have the, what's it called, the act, the Libya Sanctions Act, back in the 1990s, and the earlier centuries as well. And so, they also have the administrator to administer this sanction act against Iran. So, that is the mechanism, it's more open and specific. But if you looking at China, we never know this is a formal economic sanction. But of course, you know, you use Australia as an example, we know this is the economic sanction, but did the Chinese government admit that? No, they didn't think that is a sanction or against another country. And so, this is rather informal, and you never know which agents in China, or agency in China, they administer this sanction. So, this is the way - it is completely a different thing.

Professor James Laurenceson:

Thanks Dr Chan. Yeah, that is an important distinction. You're right. The way the two countries implement these measures. And I've certainly heard that myself as well, that the US does so transparently and on the basis of domestic law. Mind you, I'm not so sure if Beijing had a domestic sanctions law and implemented it transparently, I don't think that we'd suddenly think that that's okay from an Australian perspective. I think we'd still have some pretty grave concerns.

Professor Zhu, back to you, I'd like to hit you with a question now that I think many Australians will want to hear your view on it. And it's this, why shouldn't Australia be all in with its security ally, the United States. I mean, there are plenty of Australians who say, 'Gee, you know what? A region dominated by China, where China has primacy, would be pretty horrible for Australia's interests and confronting for our values. We don't want that. So really, what we should be doing is not looking to straddle between the two. We need to be all in on the United States. In fact, we need to be urging, doing what we can to keep the United States engaged in the region or even more engaged in the region. A potential permanent US base perhaps or hosting US military assets. That's what we should be doing. This is no time for mucking around.' So, that's what some Australians would say. What would be your response to that?

Professor Zhiqun Zhu:

Thanks for that question.

Well, I can attest that Australia's really a dynamic democracy and people here have very diverse views. And if you look at the public opinion post, I think the majority would support a strong US-Australia alliance. And increasingly, people view China together with Russia and perhaps North Korea as a major security threat. I don't challenge that general sentiment. I think we all share that sentiment. What I'm suggesting here is that is the proper approach if we agree that China is a challenge. First of all, as I mentioned earlier, are we happy with the situation in terms of US-China relations and Australia-China relations? Can we do something about it?

Secondly, what we decide to do [to] help ameliorate the situation. Do we want to add fuel to the fire or to help to lower tensions? Is the current approach to China more likely or less likely to lead to conflict and war in the Pacific, especially in the Taiwan Strait? Will confrontation with China make China more liberal? So, those are the questions I want to challenge or ask everybody. I think every country needs to have such public debates and reach some consensus about the best approach they can take.

Professor James Laurenceson:

Yeah, thank you. I think you've said something really important there. And that is, because I often hear this in Australia, we can all accept that China has changed, as our prime minister likes to say. We can also all accept that China's behaviour challenges Australia's interests. But taking that as a given, then we do need to question how do we respond to it? And you can respond to it in constructive ways or productive ways, or ways, as you said, that can actually make it worse.

So look, let me use that point to pivot to you, Dr Chan. This is stepping a little bit away from what Professor Zhu has talked about today. But Dr Chan, you would know Australia, obviously, were very connected institutionally with the United States by the ANZUS alliance most obviously. But AUKUS, the Quad, and so on: do you think it is possible for Australia to be genuinely committed to those US-centered minilaterals at the same time as we take a more balanced and constructive role towards China, or do you think China will just say, 'Look, Canberra, if you are in AUKUS, if you are in the Quad, if you are in ANZUS, don't bother talking to us.' Or I guess you could say the same thing about Washington, if we start talking to China then Washington will say, 'Well, how committed can you be, Canberra, AUKUS and ANZUS and the Quad, if at the same time you're running off and talking to Beijing at every opportunity as well?' So, do you see those minilaterals that Australia has committed to as being consistent with a constructive response to great power rivalry? I guess that's my question.

Dr Lai-Ha Chan:

Yes, yes. If we are using the academic point again, I quite like to tilt to the academic [question as to] how we can use this middle power activism. What is the middle power activism? The middle power, basically, tilt to use this multilateral collaboration, and negotiation, and compromise solution to resolve the conflict at the international level. And so, that is the way they use – even though right now is the minilateral groupings – it's just the same thing. They want to have the negotiation, they want to have these different party to sit down together to solve the problem. So, that is part of the middle power activism. Another way is to say the middle power also tilt to – you can say it's a conservative situation, or like to be acting as a stabilizer, want to maintain the status quo, rather than interrupting the order, the regional order, the international order.

And so, they are basically conserved in order to preserve the status quo. So in that sense, I think the minilateral groupings, and AUKUS and Quads and the Five Eyes or all these other groupings, there's not much conflict with Australia's alliance with the US, and Australia as a middle power activist in the region. However, to what extent that can lower the tension or we solve the conflict in the region, I actually think it's a little bit difficult. As I say, I lay out earlier about the nature of the conflict and from both sides, I don't think there will be any compromise.

Professor James Laurenceson:

Yeah, thank you. Gee, it's not cut and dry is it? As you say, you can certainly see sense in what Australia is trying to do through ANZUS and AUKUS and in the Quad. But at the same time, you do have to consider how that might be interpreted in Beijing, and how it might contribute to an escalatory spiral rather than lowering tensions. Now, I'm not saying that fear should rule it out for Australia, but it is certainly something that we need to consider.

I might jump to a few questions from the audience at this point and I'd encourage all of our audience to submit any questions that they have.

Professor Zhu, I think I might put this one to you first. This is from Harry. He asks this, I'll just read it word for word. He says, 'Has China neglected to acknowledge appropriately the awkward, difficult situation Australia finds itself in?' If I can editorialise a little bit on Harry's question, and I think maybe he might be implying this as well, a lot of people in Australia will say, 'Honestly, Beijing only has itself to blame.' If you want to know why

the Australian public has turned against China, well, look at the sanctions, look at the cutting off of dialogue, look at the detained Australians in China. Do you think that China is cognisant that its own actions have very much contributed to the anxiety that Australia feels? Or do you just think that hasn't crossed people's minds in Zhongnanhai, in Beijing?

Professor Zhiqun Zhu:

Well, thank you for that, Harry. Glad that you are here. Thanks for that question.

I think perhaps it gradually comes to China – it gradually comes to the realisation that these economic sanctions are hurting China-Australia relations, but also hurting China's international image. At the same time, I think Beijing is puzzled why Australia has been so proactive in terms of following the United States to confront China. Because right now, you look at the global situation, we talked about international community, really, we talked about a group of Western powers confronting China led by the United States. But who are those countries who are more active in doing this? Well, you have Japan, Great Britain, and Australia, right? I think from Beijing's perspective, perhaps they can understand why Japan and Great Britain will follow United States so uncritically. Because Japan, China, due to this historical animosity and unresolved disputes, and Great Britain, perhaps because of the developments in Hong Kong.

So, Japan and the UK can be kind of tough on China, understandable. But I think it's puzzling for Beijing why Australia is taking the leadership, especially in terms of calling for COVID investigation, those kind of things. But again, I'm not trying to defend China's policy. But I'm just trying to understand why Beijing's doing that, and how Beijing is thinking through this process. By the way, I think China is ready to reset [the] relationship. Again, I remember Professor Laurenceson, you hosted the Chinese Ambassador, Xiao Qian, a couple of months ago. I think he mentioned at the talk that there was no such a thing called 14 demands. Those were distorted reports by media. So, he was trying to tone down this rhetoric. So, to get back to the question. Because, Harry, I think Beijing understands the negative impact of those policies and I think it is ready to move forward, especially – we have a new government here in Canberra – it's a good opportunity. And also this December, the two countries will celebrate, hopefully they will celebrate, right?

Professor James Laurenceson:

Hopefully.

Professor Zhiqun Zhu:

50 years anniversary. And it's really a great opportunity to move forward instead of going backwards.

Professor James Laurenceson:

Thank you.

Lai-Ha, I might put a question to you. This is from, I think it's most appropriately put to an Australian, so I'll put it to you Dr Chan, this is from David. He asks, basically if I can just paraphrase, do you think Australian leaders are amenable to taking advice from Asian leaders? I guess in the case of Penny Wong, I know just from my own research, that she has singled out the Singaporean Prime Minister Lee Hsien Loong as being a first-rate mind in terms of analysing changes in the region. Where do you think Australia's political leadership is at with that? Is Penny Wong our foreign minister quite unique in that respect? Or do you think Australian leaders are actually willing to listen to the region rather than talk at the region?

Dr Lai-Ha Chan:

Thank you, James.

I think in terms of, if we compare both political parties and of course, I think, Penny Wong or the current Labor Party, it will be more tilt to, or if I use this foreign policy, the traditional foreign policy, and separated into two great parties, even though, fundamentally, the overall picture is the same, but how to implement the policy, that's still slightly different. And I will say Labor Party or Penny Wong would be happy to negotiate or discuss with the ASEAN, with the Asian country, or in terms of the collaboration, there will be much more willingness to collaborate, rather than – compared with – the previous governments.

Professor James Laurenceson:

Right. So, as long as the current government is in place and Penny Wong's our Foreign Minister, we can have some optimism. If in a few years' time there's a change of government, it might happen. So, if it happens –

Dr Lai-Ha Chan:

Yeah. So, we'll collaborate together. We'll just have the middle power activism.

Professor James Laurenceson:

Sure.

Professor Zhu, back to you. Look, this is a question from Jamie. Well, this is a question we often talk amongst ourselves about in Australia. So, let me put it to you. The question is this, 'Are there any other US allies in Asia whose China policy you think Australia could profitably learn from or perhaps even emulate?' Now, no one's talking about Australia wholesale adopting Japan's approach, or South Korea's approach, or whoever. But are there any countries that, if you get a chance to speak to folks in Canberra and you probably already have, who would you nominate that they should have a good look at?

Professor Zhiqun Zhu:

Well, thank you, Jamie.

I have mentioned South Korea. I really think that the South Korea model perhaps is something that Australia can look into. You don't have to copy what they do, but of course, South Korea is different from Australia because South Korea has this North Korea issue. So, South Korea perhaps needs China more than Australia does. But still, I think, so far, the South Korean government, as I said in the presentation, doesn't matter, the presidents from a liberal camp or conservative camp, either perceived to be pro-US or pro-China, I think that all presidents, so far, have tried to maintain a fine balance here and not taking a side with either power. I think they fully understand the importance of both powers for South Korea's security and economic interests. And that's how they have handled this delicate situation. China is not just economically important for South Korea, but also in terms of security. Because without the China's corporation you cannot resolve the North Korea issue.

Again, maybe South Korea is not the perfect example for Australia, because South Korea has to deal with the North Korea issue. But I think what South Korea has been doing is interesting and meaningful here, perhaps Australian can take a page from it. But, Singapore was not an ally. But Singapore is a much smaller power than Australia. And I always wonder how they can maneuver so well among these major powers, in dealing with both China, United States, and they enjoy both; strong relations, both powers. Now that's something, again,

perhaps, Australian can look into. But again, I don't think these cases are the same. Each country has unique challenges, but certainly I would always argue that, definitely, there's more than one way of dealing with the rise of China, especially this confrontational way that is dominating the western approach. I don't think that's the only way, and I don't think that's the best way. No.

Professor James Laurenceson:

Look, I can't resist following up with a quick question from Carl. So, from New Zealand in our audience, and he asks, 'Have you had the opportunity to study New Zealand's approach and do you see it as being significantly different to Australia's?' Again, we're not saying that Australia should copy the New Zealand approach, but just quickly, have you had a chance to look at New Zealand while you've been in Australia?

Professor Zhiqun Zhu:

No, no. I haven't. I tried to obtain an opportunity to visit New Zealand, but so far I have failed.

Professor James Laurenceson:

All right. We'll have to –

Professor Zhiqun Zhu:

I have failed.

Professor James Laurenceson:

– ask Carl to get you across to New Zealand then.

Professor Zhiqun Zhu:

So, those in the audience from New Zealand, please I want to go. Give me an opportunity.

But seriously, I think, yes, New Zealand is another example that shows a different alternative, just across the ditch. New Zealand has not been so proactively following a particular model, and they're trying to insist that they have no national interests, and their approach may be different from others. So again, these are all good, good examples, and I'm not going to give any prescription for –

Professor James Laurenceson:

For sure.

Professor Zhiqun Zhu:

– of course. But New Zealand, definitely. Also in terms of AUKUS, nuclear policy; I think perhaps Australia can also learn something from New Zealand.

Professor James Laurenceson:

Thank you.

Dr Chan, if I could just get a quick response from you on this one. Sorry, we are running out of time. But it's from Kok Yin Chu, and he asked – he or she, sorry – asks, how should we understand recent engagements

between China and the island countries in Oceania? Will China's engagements in Oceania intensify the Sino-American and Sino-Australian conflict? Do you see Chinese engagement in Oceania as being inevitable? And if that's the case, is that inevitably going to spiral US-China and Australia-China tensions? So, I know it's a big question. I'd like to hear your thoughts, but if you could keep it as brief as possible, that'd be great.

Dr Lai-Ha Chan:

Yes, thank you. Yeah, if I can keep a very short answer, I think the answer is yes. Yeah, apologise, but this is a rather pessimistic view, today. The weather is going – it'd be forecast.

Professor James Laurenceson:

Yes. Okay. So, we should expect that to continue.

Dr Lai-Ha Chan:

Yes. If I can briefly relate it to – Just remind me about, earlier, Professor Zhu's presentation. I mentioned about one point about this South Pacific, what China can contribute to the region, in terms of the environmental issue, I actually think it's might be a bit difficult. Because whether China is the largest carbon dioxide emitter, and how can China contribute to that. And of course, that will need more details, and how to China's contribution into that region. And in terms of this kind of conflict between the two great powers in the region, and I think it will be, in the coming years to come, that will be more and more tense between two sides, because I think you can see the interests of both sides, and it will be hard for them to withdraw from that region as well. And Australia is the same thing, and certainly Australia will align with the US in this respect.

Professor James Laurenceson:

So, we're dealing with structural issues here, trends rather than peaks and trough. So, it's a challenging, not year ahead, but a challenging decade ahead. Thanks Dr Chan.

Professor Zhu, I would just like to go to you for the final question today, and it's a very open-ended one. It's always great to hear an outside perspective on Australian debates. As I led off with this session by saying, I think it's easy if you live in Sydney or Canberra to get trapped in a bit of a bubble, just like it would be if you're in Washington or Beijing, to be frank. So, can I just invite you by way of finishing today to share with our audience any elements of the Australian debate around the United States, US-China, great power competition, the Australian-China relationship, that have surprised you perhaps during your time here? Very open-ended. Over to you.

Professor Zhiqun Zhu:

Okay. Hi, James. I have not been here long enough to get a real deep understanding of what is going on in this beautiful country, really beautiful country. But I did look at Lowy Institute poll published in June 2022, which says that over 50 percent of Australians surveyed would support sending troops to Taiwan if war breaks out across the Taiwan Strait. This is quite surprising to me. I'm not sure how informed these people are about the history and the current status of the China-Taiwan issue. And are they willing to sacrifice their sons and daughters to fight a war with China over Taiwan?

I guess I need to learn more about what these people think and how they came to that conclusion. So, that is one big surprise for me. On the other hand, I'm also perhaps pleasantly surprised that there're also many moderate voices here, such as Hugh White, and Stephen FitzGerald, Michael Pembroke, Colin Mackerras and other contributors to Pearls and Irritations. I think, again, this is based on very limited interactions with folks here. I think you have more serious and dynamic discussions about important foreign policy issues here, than

back in the United States, really. I think in Washington, the political atmosphere is so poisoned that it is very difficult to raise a different voice to propose some moderate options, alternative options, to the current policy. But here, I think you have more serious and more dynamic discussions, and that's really encouraging.

Professor James Laurenceson:

Thank you very much, Professor Zhu. I actually think that's a very incisive comment and it's something that's crossed my mind before as well. I often get the impression that in Washington – when I look at the Australian visitors that go to Washington, that give talks there, they do have a very particular perspective on Australia-China relations. And so, I'm not sure the full diversity of Australia's discussion and debate on China is actually being accurately carried across to Washington. So, perhaps a few more of those moderate voices that you mentioned before, might be able to get a trip to Washington and explain that diversity just as we hope you are able to do when you get back home.

Okay, look, I think we're going to wrap it up there to my colleague Corey. I'm going to throw it back to you to formally wrap things up.

Dr Corey Lee Bell:

Okay. Thank you to Professor Zhu for your excellent presentation, and thanks to Dr Chan, and to Professor Laurenceson for your participation in the discussion.

So, members of the audience, we'll be sending an email to everyone here asking for your thoughts on how this webinar went. If you could please fill out that feedback form we'd really appreciate it. It will help us make future UTS:ACRI events a better experience for everyone involved. So, if you want to know more about the Australia-China relationship and about our research, more details are available on our website at australiachinarelations.org. The discussion today will also be available there. Please follow us on Twitter for the latest news – that's [@acri_uts](https://twitter.com/acri_uts). Thanks again to our speakers and all our attendees. See you next time.