Australia and New Zealand, New Centres of Stabilisation

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"Life is pleasant. Death is peaceful. It's the transition that's troublesome"2
Isaac Asimov.

Introduction

Looking at the history of human civilisation from the contemporary perspective, it may seem that epochs were changing one another in a precise and exact manner. The ancient world ended and the new one rose from its ashes. Yet, there were times which historians identified as period of transitions and crucial changes in world perception and systems of values. These times of transitions might be viewed as natural course of development or evolution of human civilisation. On the other hand, human nature dictates that accepting changes might be quite painful. In this context, irrespective of potential positive and progressive outcomes, times of transition are difficult to be accepted by people living during them. Irrespective of the fact that history might be misinterpreted and viewed from idealistic perspective, what it teaches us about contemporary reality is that we live in the time of transition. In order to make most of it and live through it as painlessly as possible, it should be, first of all, accepted and, secondly, people should adapt to it in the most efficient and beneficial way for a society to survive and preserve its system of values and ethno-cultural characteristics.

While 19th century was characterised by the rule of British Empire, 20th century was Pax-Americana, the contemporary 21 century is argued to be 'Asian'. In this context, economic if not political supremacy in the global world will most likely belong to Asian region, particularly China. Although China has not yet reached the point of the global power, it is gradually approaching this status. The main issue posed by the new global reality is that how the world should develop further, which models of development should be adopted, if the previous ones proved to be insufficient under the pressure of the global crisis. Can overreliance on one consumptive power of a new super-economy be sufficient? In this context, one of the troubling questions is how Western countries representing the 'West' concept dominating global politics should deal with this changes; how they should adapt to the new realities and subsequently accommodate their national interest in terms of the new opportunities of the globalised world. In the future, historians shall identify this epoch either by dominance of a certain country or multi-polarity of the international relations, but that is not the task for the contemporary actors of the international relations, the task is to adapt to changes of the surrounding environment.

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The aim of the present paper is to show how Australia and New Zealand adapt to the new tendencies in the global economic and political spheres, and how their experience argues for adaptability with preservation of their historical and ethno-cultural system of values. In this context, is meant not only their favourable geographical position between East and West but rather their readiness to change their foreign policy according to the requirements of the time of transition. The first part of the paper is devoted to the economic aspect of Australian and New Zealand cooperation and subsequent dependence on China, in particular, and Asian markets, in general. On the other hand, the second part of the paper is devoted to the defence aspect of their foreign policies and potential evolution of Australian position in the region and in the world as a mediator between China and USA.

The Economic Aspect.

In the recent decade, irrespective of the continuation of various threats to the international and national securities, one of the most crucial issues was economic crisis and subsequent recession, which is far from ending. In this regard, the main discovery was that, irrespective of general disruptive tendency in global economy, there were those countries which managed to preserve their economic growth and subsequent relative stability. In 2009, the stability of the Australian dollar in contrast to American Dollar has risen by two thirds, resulting in the subsequent price of $1.05 (The Economist, 2012, December 18). This case was not simply surprising but also intriguing. The general assumption that the global economy shaken by American economic instability would result in a chain reaction proved to be wrong (Hunter, 2012). In this context, the effect was felt in different manners, depending not only on the connection of a certain country to the American economy, but also due to diversification of the foreign economic connections. In the case of Australia, it proves to be more dependent on the economic shocks posed by China rather than the United States.

Although this dependence was quite surprising in the beginning of the previous decade, the connection between two economies has its history and the survival of the Australian economy through crisis and stabilisation are conditioned by it. In this context is meant that, since the early 1980s, Australia has had a constant exporter of its mineral and energy resources in the face of the Asian market, particularly China. Irrespective of the existence of previous exporters within the Commonwealth, this new deal was more constant and cost-effective due to the savings on transportation costs. In its turn, this 'export-led mining boom' resulted in the strengthening of the Australian dollar, subsequent high interest rates and further status of the country as safe haven followed (IMF, 2012).

The mining boom had also more existential implications on the Australian economy, except for strengthening of the currency. Having diverse economic connections with both West and East prepared Australia for the new changes to come. It can be argued that although orientation on Asian resources market had contributed to more substantial effects of the Asian financial crisis in 1997-1998 on national economy, it had also resulted in its further adaptability to the next, global crisis which did not result in recession. The observation of Australian unemployment rate over the last decade shows that, in 2001, the country was gradually recovering from the previous crisis, having unemployment on the level of 7 percent, with further decrease to the point of 4.2 percent, in 2008; 2009 brought 5.8 percent (The Economist, 2012, December 18). According to IMF report on Australia for 2012, 'labour market has performed well in international comparison, with a low unemployment rate at below 5.5 percent; employment growth has slowed recently, with robust employment growth in mining and parts of the services sector offset by continues job-sheding in the manufacturing sector' (IMF, 2012, p. 4). On one hand, Australia has realised its dependence on the Asian resources market and subsequent necessity of markets' diversification. On the
other hand, in 1999 and onwards, it had a chance to strengthen its ties in the region through bailing out of Indonesia, Thailand and South Korea and contribute to strengthening of the regional economy (Hunter, 2012).

The emphasis is placed on the Australian economy not only because there is more information on it, but because the connection between Australia and New Zealand is quite strong and various economic features are in common. From the economic perspective, two countries are like elder and younger sisters. They shared various tendencies in their economic development over the last couple of decades: 2001-2009 house boom, which resulted in doubling of house prices; subsequent enormous house debts and current account deficit (The Economist, 2011, June 16). Two countries also share a common financial correlation which is conditioned by the fact that they both are ‘inflation-targeting countries with flexible exchange rates and open capital accounts subjects to swings in capital flows; New Zealand's financial system is also dominated by the four subsidiaries of Australian parent banks’ (Yan Sun, 2011, p. 10). Subsequently, if Australia is dependant and effected by the Asian market, so is New Zealand.

Quite an interesting statistical exploration on the studied topic was conducted by Yan Sun for the IMF. In his research, he argued that, due to the fact that both countries have oriented their exports on the Asian markets and import from emerging Asia was 50 percent of Australian and 40 percent of New Zealand needs, in the last decade, ‘shocks from emerging Asia have overtaken those from the United States to be the most important external factor influencing Australia’s and New Zealand business cycles’ (Yan Sun 2011, p. 3). Findings of the research showed that in the full sample period of 1991-2010, the spillovers from U.S. to Australia proved to be of a significant impact showing that 1 percent U.S. shock would result in 0.4 percent impact in Australia. The impact of the Asian markets seemed to be less significant than of US. The further transition of shock resulted in 0.3 percent in New Zealand, in the beginning of the 1991, increasing to the rate of ‘one-on-one’ impact in 2010 (Yan Sun 2011, p. 6-7). On the other hand, findings for the sub-sample period 2001-2010 show an entirely different picture. Due to the increase of economic interactions between Australia and Asian countries, the effect from Asian shock became more important in growth variability of Australia, resulting in larger and longer effects (Yan Sun 2011, p. 7). Although each research has its limitations, this exploration gives a quantifiable/statistical framework of how interconnection between Australia, New Zealand and Asian countries has increased.

The essence of the outlined above argument is that both Australia and New Zealand have realised that economic interests and subsequent benefits are of existential importance for their development and that their geographical position and availability of mineral and energy resources could contribute to growth. There is no discovery in this statement and many other countries acted in the same way. On the other hand, Australia and New Zealand were the ones to view themselves as a part of Asia and pay attention to their development in the region, as members of the regional league and not just as representatives of the West. In this context, the emphasis was placed on constructive dialogue and mutually beneficial development. In 1980-90s, attention was paid to mineral and fuel resources, since Asian neighbours boosted tempo of their development and established new goals with global impact. Seeing benefits and new opportunities, both countries followed this path. In this context, the main rationale is not only in economic benefits but also in potential for further opportunities. Looking back to the History of the Old World, one would realise that certain constancy of relations and subsequent economic transactions were already established and quite stable. On the other hand, fast developing countries of the Asia gave new opportunities not only for individuals’ growth and enrichment, but also for the states ready to use this chance. While states with the long history of constant and dominant development still argue whether China shall become
the global power in this century, other countries think about how to adapt to these changes and how to harmonise the process of transition for themselves, their region and subsequently for the world. In this context, it should not seem that the main rationale of this acceptance of changes and adaptation to them are conditioned by pure altruism. The rationale is entirely interest-driven and corresponds to the realist theory of International Relations with only one difference, in the globalised world, common goodness is of individual benefits.

Just as China and Asia, in general, do not stop to expand their growth, so do Australia and New Zealand continue to adapt to the needs of Asian market, and offer new ways of mutually-beneficial cooperation. Taking into account one of the forecast suggesting that, by 2030, Asian region shall have the largest consumptive market of the middle-class level, Australia and New Zealand are not only doing their best to make sure they shall have enough goods and services to offer, but also to secure themselves on the local market now for the benefits of the future (Goldstein and Pavehouse, 2012). In October 2012, Australian government published the White Paper "Australia in the Asian Century" establishing state's goals which should be met by 2025. The main emphasis of the paper is placed on the importance of Asian market for the global economy and the necessity of Australian adaptation to the new requirements for the common benefits. In this regard it is argued that China and Asian countries did not only change the global economy, but that they shall shape it further on:

'Embracing more than half of the globe's population, the transformation now underway in Asia is happening within compressed time frames. Average living standards are set to improve dramatically and transform the way people live and work. Asia's economies are projected to expand at a strong rate. The region's expansion and development will change the contours of Asia and the globe - opening up exciting new opportunities, while also posing some challenges' (Australian Government, 2012, p. 50.)

With the improvement of levels of life and economic growth, an increase in income per person is expected. In this regard, the predicted expectations are that by 2025 the income per person in Asian economy should reach $14-15,000, which is almost twice higher than in 2010 (Hunter, 2012). The main consequences would be desire and demand for more qualified products and services. It would not be only essentials which shall be crucial in the market, but quality and attractiveness. Having realised this tendency, the Australian government would like to make sure its country is one of the first destinations for the new money flows and that its supply shall satisfy Asian demand. In this regard, the essence of the new Australian policy is to make Australia a welcoming environment for Asian needs.

In this context, attention is paid not only to the continuation of mineral export to China, which is on the current level of 29% of all Australian export, but to provide new goods and services (Hunter, 2012). First of all, education is viewed as one of the crucial spheres of interaction. In this regard one of the objectives is for Australian schools to engage with the Asian counter-parts and create mutually recognised exchange programs with further recognition of diplomas and bilingual education (Australian Government, 2012). Further on, students in Australia are going to be encouraged to study Asian languages as priority and the most advantageous languages, placing specific emphasis on Chinese Mandarin, Hindi, Japanese and Indonesian languages. The next step would be encouragement of tourism, exchange in skilled labour through democratisation of the visa policy in order to boost openness and increase penetrability of Australia for the services demand. Overall, the re-orientation of the Australia toward services provision is conditioned by realisation that Australia 'has to ready itself for the day when it cannot prosper simply by digging stuff up.
and selling it to China; it needs to excel in providing the services a growing Asian middle class will need - such as education and tourism' (The Economist, Jan 26 20013).

The rationale for those actions is well-explained through different case studies shown in the White Paper. To refer to one is Tangaloopa Island resort, which is a family-owned ecosystem recreation destination. In 1980s, 80 percent of visitors were from Australia and only 20 percent were internationals. Two decades later, the proportion is half and half, showing the increase of Chinese tourists in quadruple number of 20,000 (Australian Government, 2012, p. 97). The main secret of success of the family business is in interpersonal relations on the face-to-face marketing level. In this context, representatives of the firm travel to the local representations in China and make presentations about existing experiences and create new opportunities for the developing demand. In this regard, it is not only the law of supply and demand which makes the whole machine work, but also the importance of unconventional ways of marketing - the attention to ethno-cultural specifics. It is seldom in the world of huge Western and Eastern style corporations to find individualisation of the offer to demand's needs, but this is what is done by Australian company's in order to secure their place under the Asian sun. It is also largely conditioned by the local and Asian mentality of hospitality, which is based on respect to customers/guests' cultural specifics rather than Western assumption of unified and common level of services provision (Goldstein and Pavehouse, 2012). This example also shows that, irrespective of ideological or political regime differences, local and economic levels share the same values and the same motives for cooperation - human nature and common necessity of its satisfaction. In other words, all people want to have a holiday and to get the most at the modest price; thus, the local market is already more beneficial due to travel costs and cultural closeness.

While Australia pays a separate attention to the services provision and encouragement of tourism, New Zealand looks into diversification of the existing products supply. One of the best examples of such intention is a dairy industry and milk powder production. The increasing middle class in Asia does not demand new services, but also a better quality of products of everyday use, and what can be more essential than dairy products? New Zealand becomes regional Belgium for production of cheeses, butter and milk powder. It is praised for its traditional, non-chemical production and clean pastures. Today, the country is considered to be the third greatest dairy exporter in the world (The Economist, 2011, June 16). While Australia is still viewed as a mineral valley for Asian needs, New Zealand has already established its status of high-quality food supplier.

The best example is the increase of the milk powder export to China due to the recent dairy products contamination with the heavy chemicals and their harmful impact on the infants that are particularly dependant on milk powder and more vulnerable to chemicals. Although there were cases of direct orders of milk powder to individuals in China, there was also a tendency of tourists buying milk powder in New Zealand for their relatives in China, which resulted in the restriction of selling more than 4 boxes into one hands (The Economist, 2011, June 16). This might be surprising, but some students studying in the UK were sending milk powder via post to their relatives in China. Not to speak that it was extremely expensive; it still was cheaper than buying it in China. The next step for New Zealand is to diversify its products and concentrate not only on the provision of ingredients for certain products as milk powder, but to concentrate on development of own food formulas. According to the official report, analysing the issue, 'the wholesale prices of infant formula in Singapore was ten times greater than the value of its chief ingredient, skim milk powder'(The Economist, 2011, June 16). Thus, the diversification of production towards processed food is advised.
Just as Australian impact on New Zealand economy has increased, as it was shown in the study above, so did new Australian Asian agenda, which did not contribute to the severe competition but rather to the establishment of new goals to reach. For instance, one of the main economic goals is to increase income per capita by 3/5 and achieve economic growth of Australia by 2025 (New Zealand Government 2011). The main conditions for this strategy are not only in a mere desire to increase well-being and achieve higher economic growth just as neighbouring Australia. The necessity of growing is conditioned by realities of instability in global development, and New Zealand is more dependent on global tendencies than Australia, but also by dependence and strong ties with Australia and China. In this context, the balance between benefits and dependence is quite vague and can be identified depending on strength of the local economy and its competitiveness on the regional markets.

Realising similarity in Australian and New Zealand economies and long-termed history of cooperation and preferential status of economic and financial interactions, two countries do not only have the same intentions towards Asian markets, but aim at sharing benefits from close cooperation in order to boost economic growth from within. In this context, the existing Closer Economic Relations between two countries, established in 1983, which replaced previous New Zealand Australia Free Trade Agreement, secure mutually beneficial flows of products, services, investments, labour and visitors’ exchange (MOFAT, 2011). While 1990s were characterised by harmonisation of the custom protocols and legal framework of interactions, the recent tendency is in encouraging preferences for bilateral investments. The New Zealand-Australia Closer Economic Relations Investment Protocol, signed by Prime Ministers of both countries, on 14 February 2011, aimed at encouragement of Australian and New Zealand investors to invest in both countries (MOFAT, 2011). This decision has nothing new, mainly because Australia is the biggest direct investor into New Zealand economy and most of the New Zealand investments are going to Australia. The main benefits for both countries are the following:

'For New Zealand firms investing in Australia, then screening threshold will increase from A$231 million to A$1.005 billion. For Australian firms investing here, the threshold will increase from NZ$100 million to NZ$477 million. These thresholds will be updated annually based on changes in GDP’ (New Zealand Government 2011).

Overall, the economic aspect of cooperation shows that both Australia and New Zealand aim at adaptation to the new realities of the regional and global economies. In this regard, they consider that standing as one block in regional and global relations might be more beneficial and efficient for both countries. In any case, due to commonality of history and geostrategic position of two countries their common position towards outer world becomes quite rationale and expected.

**The Defence Aspect.**

As the previous part of the article shows, in the economic aspect Australia and New Zealand tend to use the options they have and to accommodate to the changes of the surrounding regional and global environments. In this regard, their interests are driven by benefits for the national prosperity and stability of growth. On the other hand, while economic dimension is less influenced by ideologies than any other, and thus can be developed on mutual benefits. The sphere of defence and military capabilities is an entirely different matter. In this context, the question is whether Australia and New Zealand are likely to make another step towards building regional defence system together with China or they shall keep traditional alliance with USA. In other words, until which extent old ways should be substituted with the new concepts of cooperation in the field of defence and security. The answers to these questions were timely published in the official White Paper, in 2009,
"Defending Australia in The Asia Pacific Century: Force 2030". Just as in the economic equivalent of this paper, attention was paid to the new challenges in the strategic, regional and global environments and new ways for Australia to accommodate to them. The main tasks are to be:

"- **act independently** where we have unique strategic interests at stake, and in relation to which we would not wish to be reliant on the combat forces of any foreign power;

- **lead military coalitions** where we have shared strategic interests at stake with others, and in relation to which we would be willing to accept a leadership role, in part to compensate for the limited capacity or engagement of others; and

- **make tailored contributions** to military coalitions where we share wider strategic interests with others and are willing to accept a share of the burden in securing those interests" (DOD, 2009, p. 13)

The mentioned above paragraph might seem nothing extraordinary for a non-specialist reader, on the other hand, it shows a change in the priorities and new way of the strategy building. In this context, the intentions outlined in the paper were argued to be shifting from the traditional pro-Western orientation of the defence system towards a close defence and military cooperation with China. Although this argument has every right for existence, the paper in general does not argue for reorientation of defence priorities from West to Asia-Pacific, rather it suggests how Australia defence system should accommodate to the future of the Asia-Pacific century. In this context, the outlined above priorities do not suggest reorientation towards different direction, rather a commitment to act in accord with common defence interest in the framework of the existing treaties and Alliances and to seek for securing national strategic interest were they are unique for the country. In this regard, independent actions are the part of one's sovereignty and national interests, which cannot always be the same for each country due to obvious reasons.

Although the paragraph on independent actions might be viewed as a step towards cooperation with China, it has nothing to do with a close military partnership, as it may be feared in the West. The very rationale of emphasising independent activity in the defence is in gaining additional flexibility for defence system to evolve and, what is even more important, to gain more political flexibility in the matter of defence improvement. In this context, the move is rather the matter of political necessity to evolve and become more flexible under conditions of East and West constructive dialogue necessity and subsequent need for a mediator particularly in such matters as defence. This statement is further proved by the discussion of cooperation with the traditional allies and China. On the other hand, irrespective of the general political orientation of the paper, it does not lack a realistic and strictly military perspective. In this context, the paper concludes that "it would be premature to judge that war among states, including major powers, has been eliminated as a feature of the international system. While growing economic and other interdependencies between states will act as a brake on the resort to force between them, and highly-intensity wars among the major powers are not likely over the period to 2030, such wars cannot be ruled out" (DOD, 2009, p. 22). Subsequently, this means that each state should be prepared, just in case, rather than surprised and weak in the moment of truth. In the military strategy, the moment when strength or weakness is identified is when the uncertainty is taken off, until then readiness for anything is of benefit. With the global tendencies of continuous improvement of weaponry and modernisation of Armed Forces, hoping for peace without military means can be simply delusional. There is no country that would willingly place a bet for peace alone.
Taking this aspect into consideration, the White Paper emphasises the continuation of defence and military commitments towards Alliance and cooperation with the United States, in particular. In this regard, as a part of Australia's strategic outlook, irrespective of rising Asia, USA shall remain a substantial global power and military ally. Although USA shall continue to have global interests and defence objectives, it shall not be able to be everywhere; therefore, the assistance of allies like Australia is required, particularly in such matters as surveillance, counter-insurgency and stabilisation operations (DOD, 2009). In this regard, more independent regional defence activity is viewed as the assistance of a global ally in the region itself. In other words, since even American global power cannot be present everywhere within short and usually crucial timeframe, it shall be provided by an ally, in this case, by modernised Australian forces. Thus, the importance of Australia for the USA is not only in its general military capabilities and contribution to NATO but rather "in the maintenance of stable regional security arrangements" (DOD, 2009, p. 32).

The paper reconfirmed the significance of the existing the Australia-New Zealand-US (ANZUS) Security Treaty of 1951, which although did not commit them for any particular action but required cooperation, in case a common danger appeared (DOD, 2009). The best example of this treaty activation was the post 9/11 cooperation between three countries in terms of intelligence collection and exchange. 2008/2009 showed substantial cooperation in the field of military satellite communication between two countries with further commitments to explore new technologies, ISR improvement, and development of "joint access to satellite communications capabilities" (DOD, 2009, p.94). The next step was the introduction of common training grounds for cost reductions and the improvement of actions synchronisation and command harmonisation in the future joint operations.

The most recent (2011) and quite exact proof of prevalence of the Western commitments in Australia's in foreign and defence policies is the enhancement of military cooperation between Australia and USA, which resulted in Australian commitment to give more open access to Australian military bases in order to improve training and exchange of experience. What is the most curious is that one of the points of the cooperation is stationing of the 2,500 US Marine Corps in the North-Western part of the country, "creating the foundations of a latent staging point for the U.S. military in the Indian Ocean" (Heinrichs, 2011, November 16). Thus, Australia remains committed to a close bilateral cooperation with USA, irrespective of the potential tensions with China.

While USA is viewed as the main military ally and priority in defence cooperation, China is considered be an ally in provision of regional stability and security. The importance of China for the regional security is viewed, first of all, in terms of its economic investment to the development of countries in the region and subsequent improvement of stability through a better economic growth. It is argued that, both for China and Australia, for securing of their further stable economic and political growth, safe regional environment is of crucial significance. In this regard, two countries should cooperate towards improvement of the Asia-Pacific dialogue between countries and secure peace and stability through their soft powers (Goldstein and Pavehouse, 2012).

On the other hand, strictly from military perspective, the White Paper argues that:

"China will also be the strongest Asian military power, by a considerable margin. Its military modernisation will be increasingly characterised by the development of power projection capabilities. A major power of China' stature can be expected to develop a globally significant military capability befitting its size. But the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if
not carefully explained, and if China does not reach out to others to build confidence regarding its military plans" (DOD, 2009, p. 34).

This emphasis on the recent boom in Chinese military capabilities development is particularly crucial for understanding the purpose of the paper and Australian Defence Policy in general. It is in mediation between rising Asia and changing West. Sharing common past and value system with the West but geographical and ethno-cultural specifics with Asia, Australia shows that even in the matters of defence there might be compromises, if not crucial still sensible enough for both sides to feel the change in discourse. In this regard, Australian government used classics of diplomacy and ability to be listened by others because of mutually-favourable economic relations. Reading behind the lines, it can be argued that Australia suggests to China that it understand its desire to prove that it is strong not only economically but also in terms of military capabilities; but, in order to gain respect and not fear in the region, it should act according to the status of the global power rather than a global ghost of the Cold War. In this context, closer cooperation with USA and other allies is another message for China - in order to gain further trust and steps should be mutual.

In the end of the day, no matter how crucial China is for the Australian economic interests, its sovereignty and commonality of defence objectives are within American/Western dimension. Therefore, the paper states that any kind of relationship in the Asia-Pacific region and globally shall depend on the relationship between China and USA. The ability to manage these bilateral relations and facilitate consensus on various issues shall be of the greatest importance for strategic stability in the region. That is why for Australia mediatory position is of such importance from national, regional and global perspectives. In this context, it is argued that one of the potential miscalculations and future points of friction might be Taiwan, and that position of Australia is to secure peaceful resolution of the conflict in terms of the "One China" policy (DOD, 2009, p. 34). In order to avoid a clash between entirely different cultures, a mediator is required and, in order not to become a mere spectator in Asia-Pacific century but a player, Australia needs to become that mediator.

Such mediation might be a dangerous matter between two flames, but this is the reality of this century if not the whole history of human civilisation - there shall always be two opposite sides and mutually beneficial decisions shall be found with the mediation of the mutually recognised authority or a neutral party. In any case, for Australia to evolve as a mediator, a successful dialogue between two sides in terms of regional forum would be a good beginning. That is why Australia was the one to initiate expansion of the annual East Asia Summit into a forum for security considerations with involvement of both China and USA, as participants, but, in fact, the main reasons for the forum conduct ().

Concerning New Zealand, its defence policy is largely concentrated on the course chosen by Australia and is actually based on mutual cooperation and defence of nearby territories, airspace and waters. Although New Zealand had supported USA in Iraq and Afghanistan and sent its contingent into both operations and it is a party to ANZUS treaty, the cooperation between New Zealand and USA was not as intensified as with Australia. On the other hand, in defence matters, just as in terms of economic cooperation, New Zealand acts through its close and unique relationship with Australia. In this regard, although practical military training between USA and New Zealand were affected by nuclear submarine argument, the state still follows Australian discourse until the extent it can. The argument is that New Zealand is a smaller state with a bit different scale of defence objectives, which, although can be provided by a national defence system, still relies on close cooperation with Australian Armed Forces (DOD, 2009). This cooperation is quite natural due to the similarity of defence reforms which took place relatively in the same time and resulted in unification of
three services under a single system of command, headquarters and training programs in each country. While for New Zealand Australia remain the immediate defence ally, Australia views the state particularly in terms of securing immediate neighbourhood (DOD, 2009, p. 42). Again, each country adapts to the changing circumstances depending on its capabilities and potential leverage for negotiations.

**Conclusions.**

Overall, from all mentioned above, it can be concluded that contemporary international relations environment is in transition towards Asian century and new power structure in the world. Under these conditions, the question should not be posed whether the party is over or whether one culture or regime shall dominant the next decades of the international relations system. The question should be posed in terms of how various countries of the West shall adapt to the change we face nowadays. In other words, epochs do not change one another in a split second; transition is the constant feature of development. The only difference is that from which perspective one views the change and transition - faces it at the moment it occurs or prepares for it according to the existing signs. In other words, in order to evolve and change, one needs an open mind and realistic perception of then events taking place.

In the context of this discourse, the example of Australia and New Zealand has a lesson to teach. In this regard, their orientation towards Asian economy was not only conditioned by their geographical position and subsequent benefits for economic connection with China and other Asian countries. It was rather an opportunity, a chance which was not ignored, due to the Cold War syndrome. In this context, both countries preserved their Western values both in internal politics and foreign policy together with ways of regional relations improvement through organisations and mutually beneficial bilateral contacts. Both countries took the next step towards facilitation of their services supply specifically for the Asian market. Their decision to adapt is a way to evolve for their societies and also for the Western values these countries carry within their legal, political and social systems. In this regard, they do not only secure and work for further mutual development, but also become centres of stabilisation within the region and global levels as mediators between the changing West and the rising Asia.

Australia's intention to conduct a mediatory role between China and USA is not dictated by mere altruism and idealist comprehension of contemporary reality. It is conditioned by a necessity for a constructive dialogue between two massive powers of the tomorrow and if none of other countries managed to take that mediatory place, why should not Australia at least try? Its strong defence ties with USA and economic direction towards China might become the new model of the Western party in the Asia-Pacific century.
References


