

Think big, but there's no need to trade US for China

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Demands for Australia to rethink or even transform its relations with China and the US continue to gather force within the academic and foreign policy community, while the Turnbull government rejects the need for radical or substantial change.

This is the debate that cannot be denied. It will become a decisive encounter in our intellectual and political life, penetrating to our values, identity and world role — and, of course, the public's outlook. It involves the ultimate question: when and how China will leverage its influence or coerce Australia to serve China's needs, and how the politicians and public will react.

In simplified terms there are two camps — a group of former politicians, diplomats and experts outside government agitating for Australia to move far closer to China; and the sentiment within government, far more wary, seeking cautious change but rejecting radical reorientation.

The most lucid recent appeal for transformation came from China authority Stephen Fitzgerald, our first ambassador to the People's Republic, in his Whitlam Oration last month when he said: "We are living in a Chinese world but we don't have a relationship to match it. Australia must now rethink the orientation of foreign policy and the focus we give to China, Asia and the US."

Taking up the 2007 grand theme enunciated by Coral Bell, that the world now faces "the end of the Vasco da Gama era", Fitzgerald said we have come to "the end of Western ascendancy over the non-Western world". It terminates the age of "unchallenged US paramountcy".

"Politically, Australia doesn't appear ready for it," Fitzgerald said. He feels our political class and media remain "locked still in past ways of thinking about China", failing to come to grips with the meaning of China as a new great power. For Fitzgerald, Australia is intellectually lazy, comfortably and chronically dependent on the US, and failing the test of national interest imagination. It is a damning assessment.

The gulf between the two schools of thought was captured by Foreign Minister Julie Bishop's recent speech in Singapore when she hailed the US as the "indispensable strategic power in the Indo-Pacific" and said it "must play an even greater role" if stability and prosperity are to continue. This is the government orthodoxy.

Fitzgerald slammed Bishop's remarks as displaying Australia's "mental dependence" and its "pleading anxiety", warning: "If you can't imagine the alternative, you can't prepare for it." He believes Australia is sleepwalking into a potential crisis, saying: "It is we who are living in the Chinese world, not the US."

The figure of Donald Trump is an inevitable catalyst for such arguments. For Fitzgerald, Trump's ascent exposes our "unquestioning involvement" in America's foreign wars, the "delusion that our interests and America's are the same" and the urgency for more hard-headed relations with the US.

He argues Australia's urgent task, led by Malcolm Turnbull, must be to mobilise our resources to get closer to China, become a "friend at court", build trust and seek to influence China's thinking.

He says the fact China's soft power and money are now seriously being deployed underlines this urgency — he cites the targeting of our politicians, media, higher education; the near-monopoly control of our Chinese-language media; and Beijing's view that all Chinese, even foreign citizens, owe their loyalty to China, a direct threat to Australian sovereignty.

While Fitzgerald says elevated relations with China "must not be at the expense of relations with the US", he calls for quitting our Middle East military involvements, untangling the US marine operation at Darwin, rejecting any collaboration in the region to contain China, and seeking a more "independent" role with America.

There seem, in summary, to be three potential problems with Fitzgerald's analysis. First, does he exaggerate the demise of the US by asserting we live in a Chinese world? Such a formulation is dangerous because the Australian public has no wish to live in a Chinese world where its authoritarianism is in permanent conflict with our values. Second, would getting closer to China increase our power and influence or would it diminish them and have the reverse impact: actually increase Beijing's leverage over us?

Third, the more "independent" relationship Fitzgerald wants with the US far transcends merely saying no to the US on specifics and surely becomes a decisive downgrading of the US alliance and would be seen as such by America, Asia and by the Australian public. There is little evidence either side of politics or the public would remotely accept this at present. The warning came last week when parliament, in revolt, refused to ratify the extradition treaty with China because of deep distrust of its values, laws and political system.

At the same time a penetrating book, under the title *China Matters: Getting it Right for Australia*, has just been released, written by two China experts, Bates Gill, an Australian National University professor, and Linda Jakobson, who has had 22 years in China as a researcher and adviser.

They argue that "Australia needs to rethink its relationship with China across the board". This must become a national project — from politicians to business to community. They want leadership from the Prime Minister "for a new approach" and report that "upon moving to this country several years ago we were both struck by a sense that Australians do not entirely grasp how vast China's impact will be on Australia's future".

Today there are a million people in this country who identify as ethnically Chinese, and 150,000 students from China. Beijing has a conflict between its claims of non-interference in other countries and its claim that all ethnic Chinese must unite in China's cause.

Among all G20 nations, Australia is the “most dependent” on China’s export revenue. The Gill-Jakobson book says “the Chinese economy has the potential to break — just as profoundly as it did make — the Australian economy”.

They assess China’s soft and hard power tactics and their application to Australia. In any crunch it is hard power that counts. China has been prepared to both seduce and intimidate other nations, notably in East Asia. “Australians should be clear that Chinese leaders are quite willing to exercise economic hard power to prevent or punish actions they deem unacceptable,” the authors say.

China is more nationalistic than a decade ago; it is more willing to deploy hard power. The core Gill-Jakobson thesis is that China has the ability to threaten Australian interests but is unlikely to provoke military conflict in the fore-seeable future. Economic coercion is the likelier option and we need to grasp how economic power could be used against us.

What should Australia’s strategy be? The authors call for better engagement with China, diversifying our economic and security relations, rebuffing the notion that Australia merely follows the US on regional issues concerning China, adopting a more independent stance in relation to the US, re-energising the Australia-China dialogue and drawing China into stronger regional security co-operation.

They make a series of recommendations. These include that foreign political donations be banned; academic freedom must be championed along with transparency of donations to institutions; local media partner-ships with Chinese state-run media be scrutinised; Australian business become part of the national security debate; and that greater Chinese investment be welcomed, along with reform of our foreign investment policy.

Their narrative that Australia must think bigger with China is surely correct, along with Fitzgerald’s critique that we are too static. The core task is to realise both nations, the US and China, are absolutely essential to our future in both economic and security terms.