

LINDA JAKOBSON

Time for a Plan-B on living with China



Close to four decades of constructive and for the most part crisis-free US-China ties have facilitated Australia's prosperity and security. However, in the era of Trump, Australia can no longer rely on this ideal two-pronged existence.

The ascendancy of Donald Trump is a wake-up call for Canberra. The government is now compelled to think deeply about how to most advantageously adjust to a rapidly evolving region. This is a challenge it has grappled with for some years now – but without a sense of urgency. That luxury vanished on November 9, 2016 when Trump emerged victorious in the American presidential election.

Of course government ministers, politicians at large, and public servants have all discussed the consequences for Australia of China's increased economic, political, and military power. Over the past ten years they have commissioned numerous assessments from both government insiders and outsiders. But as long as relations between the United States and China remained stable, most

policy-makers tended to speak in hypothetical terms about Australia's predicament. A sense of denial was palpable. Many politicians and public servants continued to hope that the balance of power and the way the region's nations interacted would somehow continue in the same ways they have done for the past thirty or more years.

Australia's lot before Trump was quite ideal. Close to four decades of constructive and for the most part crisis-free US-China ties have facilitated Australia's prosperity and security. Canberra had a very close relationship with its alliance treaty partner, the US, and at the same time for several years had kept its relationship with China on an even keel. China is its largest trading partner and increasingly an important regional player on a range of issues. However, in the era of Trump, Australia can no longer rely on this ideal two-pronged existence. Australia needs a Plan-B!

Canberra's dual challenge: protecting interests and values

The Trump presidency injects not only urgency but also a new layer of complexity to the task of strategic planners. Part of the challenge remains the one which should have been front and centre for the past ten years, that is determining the mid- to long-term policies which best serve Australia's interests as China's economic, political and military power continues to grow and re-shapes relations within the region. But now with Trump as president, Canberra is confronted with unpredictable and possibly disruptive policies of the US and must decide how to best protect Australia's interests in the face of this unpredictability. This will require new thinking by the Australian

Part of the challenge is determining the mid- to long-term policies which best serve Australia's interests as China's economic, political and military power continues to grow and re-shapes relations within the region.

government as a whole, of individual ministers, and of public servants.

The politically mature and interdependent relationship between the United States and China will not be undone overnight. These two nations have learned to accommodate the changing power balance via constant dialogue and engagement. The relationship is like a ball woven tightly together

over the past 40 years by multi-coloured threads of varying textures and thicknesses. On any given day dozens of Chinese officials meet their counterparts in Washington and dozens of American officials are in Beijing. The two societies are bound together

by constant interactions between businessmen, scientists, environmentalists, artists, musicians, athletes, tourists, teachers and students.

However, this ball will start to unravel if the next four years are marked by continuous crisis between Beijing and Washington. Such an unravelling would place unsustainable pressure on Australia's two-pronged existence that relies on good relations with both the US and China. If again the US turns its back on the region for the next four years, an entirely new mindset will be needed by policy-makers and others in the region to ensure the region remains stable.

Even the most optimistic of observers note that the men who comprise Trump's inner circle of decision-makers on issues related to China are well known for their advocacy of harsh policies toward China. They have for years said that the US has done enough kowtowing to a rising China and needs to do its utmost to contain China's growing power. Ironically, the overwhelming sentiment among educated Chinese is that China has kowtowed to the West, and the US especially for the past four decades in order to modernise and now the moment has come to say, enough is enough.

Values at the forefront

Australian decision-makers and their advisors have never been faced with quite the situation they find themselves in today. The occupants of both the White House and Zhongnanhai, the leaders' compound in Beijing, are intent on making their country great again. Domestic problems are serious in both countries. However different the American political system is from the one in China, in both countries the political system needs fixing. Both China's President Xi Jinping and Trump are ambitious. Both eschew values that Australians hold dear.

Under Xi's leadership Chinese authorities have tightened surveillance of citizens. They punish organisations and individuals who strive to expand intellectual debate, respect for the law, and media freedom. The domestic security services have more resources at their disposal and are more powerful. Nationalist rhetoric is allowed to dominate mainstream media. Xi has demonstrated that he is less risk-averse than his predecessor to convey to other countries that China will defend what it perceives as its sovereignty and maritime rights in its near seas.

It is always going to be problematic for Australians to accept the guiding principles of the People's Republic of China, a one-party authoritarian state led by the Communist Party of China. That challenge is not new. But who would have thought that the 45th

president of the US would be a man who publicly makes derogatory remarks about women and

The occupants of both the White House and Zhongnanhai, the leaders' compound in Beijing, are intent on making their country great again.

Muslims, among others, and ridicules democratic principles such as media freedom and the rule of law? Based on what we know about Trump, he is a bigot who does not hide his contempt for decency and he is xenophobic, sexist, racist, petulant, and avaricious (this description

is taken from Hugo Rifkind's commentary 11 January 2017 in *The Times* of London).

For decades Australian leaders have emphasised that the alliance between the US and Australia is founded on common interests and values. To quote Allan Gyngell, "values – a common commitment to democracy, the rule of law, a rules-based international system – have been the building blocks of trust, on which the whole alliance has rested." It is true that over the decades Australian prime ministers have disagreed at times with American presidents because Washington's policies in their view have not been in Australia's interests (for example, Gough Whitlam on US actions in Vietnam). Certainly there are also key issues, such as gun control and the death penalty, on which mainstream America and Australia disagree profoundly. But Australian politicians have not been confronted with a situation in which shared values cause fundamental tensions. For the next four (and possibly eight) years this discrepancy over values is

Australian politicians have not been confronted with a situation in which shared values cause fundamental tensions. For the next four (and possibly eight) years this discrepancy over values is bound to rankle Australian ministers.

bound to rankle Australian ministers. What prime minister wishes to be perceived as accepting or condoning Trump's quips and crass remarks?

Australian political leaders must prepare for a backlash from Australian voters against decisions the Australian government may feel compelled to take in support of the alliance. This situation could arise, for example, if the Australian government deems it in Australia's interests to

support an action by the US while Trump is at the same time causing an outcry over a statement or decision perceived as offensive to Australians' sense of justice or fairness.

During George W. Bush's presidency Australians became more critical of the US because of Bush's decision to invade Iraq. In the 2007 Lowy Institute Poll 69 per cent of respondents said that Bush caused them to feel unfavourable towards the US. But this anti-American sentiment stemmed to a great extent from a dislike of Bush's policies, not his values or any lewd comments about women or minorities.

It will be even more difficult to disregard public opinion's dislike for Trump's values in the event that the US takes actions, which are not perceived to be in Australia's interests. If the US provokes Australia's source of prosperity and comfortable living standards – namely China – many Australians may question the usefulness of the close alliance relationship. The government in Canberra could find itself challenged on two fronts – both values and security. Australia's multicultural democracy is on solid footing. But a Trump administration could pose a new kind of dilemma, which in turn could give rise to tensions within Australian diverse communities.

Of course positive and negative sentiment toward the US ebbs and flows while support among Australians for the alliance has remained steadfast for decades. Whether this support continues over the next four years will be a genuine litmus test for the alliance.

An independent foreign policy

Over the past decades a diverse set of prominent Australians have called for Australia to pursue a more independent foreign policy. In recent years the debate in Australia about the desirability of extremely close ties with the US has loosely tracked the ups and downs of US-China ties. There was a surge of public commentary about the possible detrimental effects of having too cosy a relationship with the US in late 2011 and early 2012 after Barack Obama's speech in Australia's Parliament – the one in which he challenged the legitimacy of the Communist Party of China by stating that "prosperity without freedom is just another form of poverty." Malcolm Turnbull, who at the time was a member of parliament in opposition, warned that Australia needs to be careful not to allow a "doe-eyed fascination" with Obama distract from the national interest that requires Australia to truly maintain both an ally in Washington and a good friend in Beijing. Bob Carr, who some months later became foreign minister, publicly urged Prime Minister Julia Gillard not to "sign up to a mindless anti-China campaign. The alliance does not require it."

In the days following Trump's election victory many Australians publicly opined that Australia should grasp this opportunity to forge a more independent foreign policy. Nearly without exception Australians

acknowledge the importance of the alliance but today, spurred by the unpredictability of Trump, they see the need to stand back and re-think the *nature* of the alliance relationship. Shadow foreign minister Penny Wong has written: "Our collective task now is to carefully and dispassionately consider Australia's foreign policy and global interests over

Malcolm Turnbull, who at the time was a member of parliament in opposition, warned that Australia needs to be careful not to allow a "doe-eyed fascination" with Obama distract from the national interest that requires Australia to truly maintain both an ally in Washington and a good friend in Beijing.

coming months, and how best to effect these within the alliance framework." She also said that "the alliance has not and cannot mean reflexive agreement with all that is espoused by one individual... and we should always be prepared to make clear our disagreement with political leaders who undermine" our values and interests.

The 'more independent foreign policy' camp emphasises the need to put greater resources into forging close ties in the region. Australia already invests considerably

in its relationships with China, Indonesia, Japan, South Korea, and India, but it should engage more comprehensively with all these countries as well as other smaller countries in the Indo-Pacific.

Potential for closer China ties

Above all, Australia needs to find ways to tighten and build on its strategic comprehensive partnership with China. Understanding the aims and also the policies of China is paramount. Knowing the anxiety about Trump in Western capitals, one can only imagine the deep anxiety Trump evokes in Zhongnanhai. China needs friendly partners now more than ever and Australia should seize this opportunity. Despite the historically close ties between Australia and the US, Australia could – admittedly with much effort – move itself into a position with more clout in Beijing than in Washington.

There are many Australians who feel strongly that Australia has influenced US policy in the region and can continue to do so. Kim Beazley, former Labor MP and Australia's previous ambassador in Washington, is of that view. In his opinion Canberra must now do all it can to use its historically good relationship with Washington and seek to influence the direction of the

Trump administration's foreign and security policy. Former chief of the Australian Defence Force Angus

Above all, Australia needs to find ways to tighten and build on its strategic comprehensive partnership with China.

Houston has argued: "We should endeavour to quietly influence the incoming administration as to the importance and success of the current US strategy in this region, including the Australia-US alliance." These observers cling to the hope that yesterday's region will still broadly speaking be

tomorrow's region. It could prove unrealistic to think that Australian ministers and officials would be able to deter the impulses of hard-line conservatives in the Trump administration. Having said that of course it is still important to ensure that counterparts in Washington realise that a rift between the US and China is not in Australia's interests.

We must prepare for heightened US-China tensions. Trump antagonised China even before he took office. But equally importantly, Australia needs to invest time, money and know-how to increase the power of its voice in Beijing.

Xi Jinping's remarks at the APEC Summit and Davos Economic Forum all indicate that he is vying for China to assume a more prominent regional and even global leadership role. What will an expanded Chinese role entail for issues vital to Australia such as trade, piracy, money laundering, drug trafficking, non-proliferation, disaster relief, and anti-terrorism? In many areas, China lacks the breadth and depth of expertise needed to take the lead and therefore is looking to partner with others. Every possible opportunity to engage with China's senior officials should be used to try to mould the Chinese leadership's thinking on these issues so that Australia's view is not only known but possibly taken into consideration.

The government in Canberra needs to prepare for the volatility of Trump's presidency by exerting its efforts on China and every other consequential country in the region in a manner it has never done before.

Linda Jakobson is founder, CEO, and board director of China Matters, an Australian public policy initiative. She is the author, with Dr Bates Gill, of a new book: China Matters: Getting it Right for Australia (La Trobe University Press/Black Inc).