Why the G20 meeting in Bali is make or break for Australia

by **Allan Gyngell**

Australian Financial Review, 6 May 2022

Link: https://www.afr.com/policy/foreign-affairs/why-the-g20-meeting-in-bali-is-make-or-break-for-australia-20220503-p5ai38

As foreign policy takes centre stage in the campaign, the unstable global order is complicating Canberra's century-long search for a seat at the table.

When the campaign began, Liberal party strategists clearly hoped to make this a khaki election. The developments of the past year, including the AUKUS security pact with the United States and the United Kingdom and the Russian invasion of Ukraine, seemed to add weight to Scott Morrison's framing of a global contest between an "arc of autocracy" and the world of liberal democracies.

Instead, we are experiencing the first Australian election campaign in memory in which foreign policy – not only military threats or national security, but the harder question of how a country like Australia can best exercise influence and achieve its objectives in the world – is actually on the agenda.

It would probably have been difficult for the government to stir up the passions necessary to get a full-blown khaki election going. Unlike the divisions over the Vietnam War and conscription of the 1960s or the debate about Australia's engagement in Iraq 20 years ago, both sides of politics turned up in uniform this time, saluting smartly.

Within days of each other in mid-March, Scott Morrison and Anthony Albanese gave speeches about national security at the Lowy Institute. Large sections of text in each could have been transposed. Both leaders described this as a time of unprecedented change in the world. They agreed that Australia had to deal with a more assertive China and denounced the invasion of Ukraine.

Australia's policy response in these difficult times, Morrison said, should be to build the ADF's capability, strengthen cybersecurity and sovereign manufacturing capability, widen Australia's alignments in the Indo-Pacific and strengthen national resilience. With the addition of a promise to take action on climate change, that was Albanese's prescription too.

What these speeches did not canvas was the way the unstable global order they both described is challenging some of the fundamental principles that have underpinned our relationship with the world. Among many other consequences of China's ambition, America's response and Russia's invasion of Ukraine is the way these are affecting Australia's century-long search for a seat at the table at which international decisions affecting our interests are made.

This ambition can be traced from Australian efforts in the early 20th century to obtain representation on Imperial councils in London, through Doc Evatt's efforts to shape the United Nations system, all the way to APEC, the East Asia Summit and the G20. The problem for Australia now is that some of the tables – the World Trade Organisation, the United Nations, the G20 – are looking very battered. Any tables that replace them in a decoupling world will be smaller, with fewer chairs, and may not always have space for Australia.

Each side's vulnerabilities

During the campaign, each side continued to probe the other for vulnerabilities. Labor was weak on China, declared the government, trying to catch out deputy Labor leader Richard Marles, who once said something positive about China in the South Pacific and provided an advance copy of a speech to the Chinese Embassy.

But given the positive statements uttered by Coalition ministers about China in the years since 2016, the attack failed to yield real political damage and Labor shored up any perceived softness by shuffling as close as it could to the Government's position on China. "No daylight here", was the message.

But into this standoff, unexpectedly, came news – first leaked from Solomon Islands opposition, then confirmed by the Prime Minister, Manasseh Sogavare, of a new security agreement between Solomon Islands and China.

The formal document, negotiated since the establishment of diplomatic relations in 2019, has not been released, but if it is consistent with the leaked draft it would significantly strengthen military ties between the two countries, enabling Honiara to ask China to send armed police or military forces, and Beijing to deploy, with Solomons' agreement, PRC forces to protect Chinese personnel and projects. It would facilitate ships visits (leading to the "basing claims").

For all Australian governments since the Second World War a primary objective has been to prevent hostile or potentially hostile powers establishing a foothold in the Southwest Pacific. Anxiety about a Soviet presence arose frequently through the Cold War. In 1987, the possible establishment of a Libyan People

Bureau mission in Vanuatu was enough to send Foreign Minister Bill Hayden on an emergency overnight visit to consult with New Zealand about a response.

Stories of possible Chinese bases in the Pacific have been around for several years. Fiji and Vanuatu were touted as potential sites. But the news from Honiara came as an apparent shock to the government.

As China squeezed the few small states that still formally recognised Taiwan as the government of China, rivalry between Beijing and Taipei has been common in the Pacific. Only in Solomon Islands, however, did it become attached to local domestic rivalries, in this case between the two largest islands – Guadalcanal and Mailata.

The agreement is a major success for China in its access in the Pacific. From a political angle in Australia, the government suddenly looked vulnerable on an issue – standing up to China – that it had identified as its own. Its initial response to the news was ragged, full of contradictory messaging. Perhaps the government had known secretly about the agreement; perhaps it had not. Perhaps a "potential Cuba" was now threatening Australia; perhaps we should accept Sogavare's assurances that there would be no Chinese base. Perhaps Australia accepted and respected Solomon's sovereignty; perhaps this was a "red line" for Australia which could not be tolerated.

So, the questions which then became relevant were those of foreign policy and diplomacy. Did the government know about the threat? If it did not, that was a failure; if it did, and could not prevent it, that was also a failure. Why was Australia, which had given billions of dollars in aid and support to the Solomons and the wider Pacific region being ignored in this way? What had been done, and who had been sent to try to prevent this? Why not the foreign minister? Was Australia losing its soft power advantage in the region because the government had closed down Radio Australia services? What impact was Australia's foot-dragging on climate change, which all the Pacific countries described as their greatest security concern, having on our influence?

Hard edges

Labor quickly went on the attack. Shadow foreign minister Penny Wong described Sogavare's announcement as the "worst failure of Australian foreign policy in the Pacific" in 80 years, and almost immediately presented a new plan to respond to the news. This was described as "combining effective climate leadership, vital development assistance and improvements to Pacific worker programs", along with defence and security cooperation and enhanced diplomatic capability.

That led to further debate about the role of foreign policy under the Morrison government. It has played into a slowly developing sense in different parts of the community that the world's new challenges require Australia to give more weight to foreign policy and diplomacy as instruments of statecraft.

Foreign policy's job is to manage the state's relationship with other actors in the international system in ways that advance its interests and protect its values so that, at any point in the shifting sands of global politics, it always has space and choices available to it, and is not forced or coerced into certain positions. Foreign policy, and the diplomacy which is its operating system, are as difficult, hard-headed and hard edged as any dimension of government.

A surprisingly diverse set of new groups is calling for a more balanced Australian statecraft, with greater focus on foreign policy and diplomacy. They range from former defence and security leaders worried about climate change to proponents of a feminist foreign policy, from realist international relations scholars to practitioners seeking better integration of diplomacy, development and defence policy.

These issues, of course, are far from central to the concerns of most voters. IPSOS polling shows defence ranking about 10th in the public's lists of worries. And the fact that Anthony Albanese devoted just 19 words in his policy speech earlier in the week to defence, security and foreign policy suggests that Labor hardheads didn't expect this subject to be a vote-changer in the handful of seats in which the election will be decided.

Nevertheless, whoever is elected to office on May 21 will have no breathing space before the external world imposes itself on them. In addition to the enormous agenda on the defence side of things, with multibillion dollar decisions about nuclear submarines and other defence procurement decisions to be taken soon, problems in the South Pacific, Ukraine, Southeast Asia, China, the United States and the deteriorating global economy will face the incoming government.

The Solomons-China agreement ensures that the South Pacific – not just Solomon Islands but our other major partners as well – will be the destination of an early visit by the incoming prime minister (Albanese has said he would go) or foreign minister.

The objective will be to remind partners that there are region-wide issues of peace and security at stake here, and that Australia has common interests with the region. Australia's approach to climate change will be vital. Even a returned Coalition government (bruised by the inroads of teal independents into its

traditional voter base) will have to find better ways of demonstrating its understanding of the implications of climate change for our neighbours.

The discussions will not be easy. Australia also has the job of persuading the Solomons government that nothing in the agreement with China will be used to harm Australian interests.

The deep freeze

Australia's already parlous relationship with China deteriorated during the election campaign. The announcement of the Solomon Islands deal, Peter Dutton's calls to "prepare for war", Labor's insistence that it would do nothing substantively different from the government on China policy made it harder for either Canberra or Beijing to shift from the present deep freeze.

On the other hand, Australia and China cannot continue indefinitely as the only G20 countries without any high-level contacts. The present situation serves neither country's interests. In the absence of independent discussions with Beijing, Australia is less relevant to its Southeast Asian and Pacific neighbours as well as to its allies. It must rely on others to make its points in China, although it is, of course, only Beijing which stands in the way of ministerial meetings. China, for its part, is at odds with a significant provider of its resources and energy.

Movement would be required on both sides (harder, certainly for the Coalition in Australia). It would be resisted internally in both capitals. But it is not beyond the capacity of effective diplomacy to return the situation to something more closely approximating that of other US allies.

Small signals will be important. The level and content of any message congratulating a new government, or a returned one. The precise wording of a response. The access provided to diplomats in both capitals. Slow progress to identify issues where cooperative action may be mutually beneficial. Shifting language, including by China, and some mutual lifting of restrictions including China's sanctions on Australian exports.

The Russian invasion of Ukraine, Moscow's subsequent setbacks and the future of the war have reset the international agenda in ways that the next government will also have to grapple with. Europe, for the time being anyway, has rediscovered geopolitics. The invasion has recharged trans-Atlantic relations, galvanised the European Union, and given NATO new purpose and possibly new members. Because Britain, post-Brexit, can no longer operate as an advocate and interpreter for Australia inside Europe, we need to forge new connections with the continent including (easier for Labor) trying to repair the breach with France.

One immediate result of the war in Ukraine, according to UN Secretary-General Antonio Guterres is the prospect that with lower food production in Ukraine, and rising food and energy prices, 1.7 billion people are in danger of being tipped into poverty worldwide. The response to a global food crisis, in which Australia will have an important role, could soon confront the government. Indonesia, a major importer of Ukrainian wheat, will be affected.

Make or break in Bali

Southeast Asia has been sidelined in Australian foreign policy in recent years. The South Pacific step up, the Quad, and AUKUS have deflected attention. Australia has become less relevant to the Southeast Asian countries as well. But there will be an urgent need to redress this. Southeast Asia will be, above all areas, the place where growing US- China rivalry will play out, with great impact on the outcome of that competition, and on Australia itself.

Above all, the next government in Canberra will have to find new language to deal with the region. The binary description of a global conflict between autocracies and democracies does not work in Southeast Asia. Vietnam is not a liberal democracy. Indonesia does not see itself as part of "the West".

If the election result is resolved quickly enough, the next prime minister will find himself on a plane to Tokyo for a meeting of Quad leaders on May 24. If Albanese is in place it would be a quick and easy opportunity to establish early personal relationships with US President Joe Biden, Indian Prime Minister Narendra Modi and Japanese Prime Minister Fumio Kishida.

But, in a longer perspective, the most important upcoming meeting for Australia's future will be the Bali meeting of G20 leaders in November.

Kevin Rudd's undoubted success in ensuring that Australia was present at the G20 leaders' meeting after the Global Financial Crisis now looks dicey. If the G20 dissolves because of Putin's behaviour, and if it does so under Indonesia's chairmanship, it is hard to see it being reassembled in this form. And any other form would be in danger of leaving Australia out in the cold. As the global economy deteriorates, the need for high-level coordination by all the main players in the global economy will be urgent. No alternative to the G20 is visible.

For Australia's future, the most consequential "known unknown", in Donald Rumsfeld's memorable taxonomy, is the future of the United States. There is no chance this will emerge for public discussion during the election, or even afterwards, but with the mid-term elections in November, the American system will begin to focus again on the next presidential elections. For the first time in our lives, Australians cannot be certain whether the United States can carry

through changing administrations a grand strategy that is both principled and consistent.

A reversion to Trump or Trumpism after just four years would be disastrous. Australia can do little to help the US resolve its internal political divisions except to work with and support those who are fighting to retain the aspirations of liberal internationalism from which Australia has benefited so greatly.

The Morrison government has been reluctant to set out its policy aims in formal documents or speeches. Apart from the 2020 defence update, press conferences and a handful of speeches have been its preferred strategy for communicating its views, but this has left its declared objectives like “a world balance that favours freedom” short on the detailed Australian contributions necessary to achieve them.

Whoever is elected in two weeks, Malcolm Turnbull and Julie Bishop’s 2017 foreign policy White Paper has run its course and served its purpose. There is probably no time for another White Paper process. The most urgent requirement for the new government, whichever side it comes from, will be to articulate Australia’s foreign policy objectives, purposefully and coherently, to ourselves and others.

Allan Gyngell is National President of the Australian Institute of International Affairs and Honorary Professor at the College of Asia and the Pacific, the Australian National University. He is also a Board Director at China Matters.