

CHINA THAW? IT'S FROM THE FREEZER TO THE FRIDGE FOR ALBANESE GOVERNMENT

RICHARD MCGREGOR 2022/06/25

Since arriving in Australia a few months back, the new Chinese ambassador has met two former prime ministers, past, present and future foreign ministers, multiple captains of industry and university chiefs and academics.

In Canberra this week, Xiao Qian called on the national secretary of the Labor Party, Paul Erickson, whom he presumably didn't seek out for advice on marginal-seat campaigning, before heading to Sydney for a speech on Friday.

The hall at the University of Technology Sydney was full for the pre-lunch speech, though a little less so by the end, as at least six people were ejected during its delivery after noisily condemning Chinese human rights actions. Over cries of “free Tibet”, Xiao smoothly stuck to his script — that the new Australian government's election has opened the way for a “possible improvement” in ties and that both sides should make a “concerted effort” in that direction.

In Beijing, Graham Fletcher, the Australian ambassador, leads a quieter life. Senior leaders have maintained a ban on meeting Australians. Officials and scholars have largely shunned invitations to talk. Even big state companies with large investments in Australia are reluctant to meet.

Don't blame Xi Jinping's COVID-zero policies for Fletcher's isolation. China's borders remain closed, but, until the recent lockdowns in major Chinese cities, the government boasted about how its suppression of the virus had allowed life to proceed as normal inside the country. As long as the COVID app on Fletcher's mobile phone turns green when it is opened — which means that he has been tested and is clear of the virus — he is free to make his way around the capital.

The big chill in Beijing is matched by escalating military tensions, heightened rivalry in the Pacific, ongoing trade sanctions and state media attacks on Anthony Albanese's government.

It is true that China's chief “wolf warrior” diplomat, Foreign Ministry spokesman Zhao

Lijian, who angered Scott Morrison by promoting a doctored photo of an Australian soldier committing atrocities in Afghanistan, has moderated his language slightly. After rebutting an Australian complaint of harassment of an RAAF jet flying near islands claimed by China in the South China Sea, Zhao made a plea for “sound and steady” relations with Australia.

Soon after, Defence Minister Richard Marles this month met his nominal Chinese counterpart, General Wei Fenghe, in Singapore, the first ministerial-level meeting in years.

It is not surprising, nonetheless, that the Albanese government’s reaction to Xiao’s modest charm offensive and other signals out of China has been to question whether Beijing is genuine about improving ties or is simply probing Canberra’s resolve.

Under Xi Jinping, China has shown a taste for conflict. Xi has been willing to let diplomatic fires burn around him, especially over his steadfast support for Vladimir Putin over Ukraine. Is Xi really trying to put one out in Australia?

Thus far, Albanese and his Foreign Affairs Minister, Penny Wong, have not really had to stew over that question. Instead, with the benefit of a mixture of good luck and good judgment, they have filled their time instead by shoring up relationships with friends.

The timing of the leaders’ meeting in Tokyo of the QUAD – the grouping of the US, Japan, India and Australia – days after the election gave Albanese and Wong immediate exposure to other countries’ concerns about Beijing. Any sense of isolation was dispelled. Albanese met face-to-face with US President Joe Biden, something that normally takes months or a year to organise. Japan, which always frets about Australia backsliding, was reassured.

So too was India, although one of the country’s scholars joked sardonically that they were sick of hearing Australia “play the victim” on China. In the wake of recent border clashes, he insisted: “We are the victim!” Still, Samir Saran, the head of the Observer Research Foundation, a New Delhi think tank, was frank during a visit to Australia this week about the future of China-India relations. “India is a young country – we have 500 to 600 million people under 30. China has lost them forever,” he said at the Lowy Institute.

The unprecedented 10-day swing through eight Pacific Island countries by the Wang Yi, the Chinese Foreign Minister, in late May, was also, somewhat perversely, well-timed for the new Australian government. Wang's trip, and the welcome in the Pacific for Labor's climate change policies, handed Wong the platform to launch herself into the region in a way her predecessor, even accounting for COVID travel restraints, never did.

Wang's Pacific play was also a useful wake-up for New Zealand, which has shied away from notions of strategic competition in the region and often looked piously askance at Australia's more muscular foreign policy. The language used in the meetings with Wong in Wellington was far stronger than it would have been a year ago.

On the home front, Labor's sharpest criticism of the Coalition before the election on China - that Scott Morrison and his defence minister, now Opposition Leader Peter Dutton, were recklessly talking up the threat of war for electoral gain - turned out to work a treat politically.

The Chinese community in Australia is diverse - rich and poor and clustered in the middle class, both newly arrived and well established, and not just from China itself but from multiple other Asian countries with large Chinese communities. A significant number are Christians. They speak multiple languages. While the community doesn't vote as a bloc, it is sensitive to rhetoric about China, or more to the point, about the Chinese, and in Paul Erickson's telling, they judged the Morrison government harshly.

In his post-election speech to the Press Club in Canberra last week, Erickson said the Morrison government's public execution of its China policy struck the community at times "as an attack on Chinese-Australians ... that licensed racism".

Labor went into the election nervous that China and national security could be weaponised against it. But the Coalition's play blew up once Beijing signed a security deal with the Solomon Islands in the middle of the campaign.

In the end, Labor's decision to dial down the rhetoric on China has turned out to be not only good foreign policy but good domestic politics. Three marginal seats with significant Chinese-Australian populations - Reid and Bennelong in Sydney and Chisholm in Melbourne - all fell to Labor.

Erickson declined to speculate on whether the community's political allegiance had tilted towards Labor for good. He was right to be cautious, as threading the needle between talking about China and talking to the community in Australia won't get easier.

Labor criticised Dutton's rhetoric but, privately, few disagree with him that the chances of some sort of military conflict between the US and its allies and China in coming years is possible, if not likely.

In the words of Sir Robert Menzies during the Cold War, Australia benefited from the protection of "great and powerful friends", namely the US and Britain. In the 21st century, the script has been flipped. Australia is now facing a "great and powerful enemy".

Ambassador Xiao Qian is a skilled diplomat with an impressive track record for managing crises in the service of his country and its ruling Communist Party. Before Canberra, he spent three years as ambassador in Jakarta, where he had led an all-out effort to shut down a potential wave of damaging criticism in the majority-Muslim country of China's policies in Xinjiang. Beijing began building mass internment camps in Xinjiang in 2016, rounding up an estimated million members of the Uighur Muslim minority who live in the region in western China.

After first denying they existed, Beijing then portrayed the camps as benevolent vocational training centres designed to fight terrorism, while launching a global diplomatic push in Muslim countries to stop them from joining US-led criticism of the policy.

In Jakarta, Xiao was particularly effective in killing the issue, arranging tightly managed visits to the camps for Indonesia's religious and civil society leaders, and journalists and academics. At the same time, Chinese diplomats privately assured the Indonesians that they supported its sovereignty over the restive region of West Papua. It was a solemn pledge made with a touch of menace that Beijing could back greater autonomy in the region.

All in all, the approach worked. On Xiao's watch, Beijing secured a big win, as Jakarta kept quiet about Xinjiang.

Although the dimensions of the two problems are very different, Xiao will find Australia a tougher nut to crack. The problems with China will not go away with the removal of a Coalition government. Labor shares much of the analysis of the outgoing government about China but has very different ideas about how to tackle it.

On top of that, the entire system in Canberra has been repurposed to manage the China challenge – defence procurement, intelligence services, allied co-operation, Pacific policy and so forth. The new government couldn't unwind such a bureaucratic apparatus overnight, even if it wanted to. And on the evidence so far, it doesn't.

At the moment, neither country sees advantage in moving fast, or first, to restore the relationship. The very mention of the word “reset” causes hairs to stand on end in Canberra.

A Chinese diplomat, lamenting the collapse of ties, once told me: “The two countries got too close.” Nobody is expecting that to happen again.

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WHAT IS AUSTRALIA'S PLAN B FOR CHINA?

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Plan A is, put most simply, for the United States to “win”. The US remains Australia's best hope for balancing Chinese power and avoiding a China-dominated region.

But that's far from guaranteed. The US has not been challenged by a rival like China before. Countering it will require a deft mix of diplomacy, geoeconomics and military deterrence.

Washington is alive to the challenge but preoccupied with security challenges elsewhere and beset by domestic problems.

America's economic game is fundamentally limited by bipartisan protectionist sentiment. The return of Donald Trump or someone like him to the White House would greatly exacerbate its problems.

How should Canberra hedge against US deficiencies? One possibility would be to

accommodate growing Chinese power. Australia could publicly distance itself from the US and remain silent about Chinese actions in Xinjiang, Tibet, Hong Kong, the East and South China seas, on the India-China line of control, and towards Taiwan.

Hugh White, emeritus professor of Strategic Studies at the Strategic and Defence Studies Centre of the Australian National University in Canberra, recommends publicly committing not to militarily defend Taiwan.

But there is little reason to believe that such precipitate concessions would be supported by the Australian electorate or moderate China's behaviour.

A better way for Australia to prepare for US shortcomings would be to put more eggs in other baskets.

As Allan Gyngell, of the Australian Institute of International Affairs, notes in his history of Australian foreign policy, *Fear of Abandonment*, all Australian governments have based their foreign policies on the US alliance, regional engagement, and the "rules-based order".

The US is still aiming to have China accept something like the existing rules-based order. In Secretary of State Antony Blinken's words, "we will shape the strategic environment around Beijing to advance our vision for an open, inclusive international system".

If that fails, then Australia should set a more modest goal of reducing the risk of conflict.

The management of great power relations is an established subset of the rules-based order. It doesn't deal with the big normative questions of how the world should be organised. Rather, it includes pragmatic and often piecemeal deals designed to reduce friction and conflict. The best examples are the US-Soviet strategic arms control agreements reached from the 1970s onwards.

The US-China standoff on global issues is essentially a game of chicken. Third party intervention is needed to break the deadlock.

The US and China aren't doing enough, on their own, to manage these risks. In their

November 2021 virtual summit, US President Joe Biden encouraged Xi Jinping to agree to “commonsense guard rails” to prevent the rivalry from “veering into conflict”.

But after his recent meeting with Blinken at the G20, China’s Foreign Minister, Wang Yi, said, “no amount of guardrails would work” unless the US resumed strict compliance with (Beijing’s interpretation of) the One China policy.

US-China rivalry also exacerbates the threat of climate change.

The Biden administration insists it is open to co-operation on global issues but won’t make former president Barack Obama’s mistake of dialling down competition in order to smooth the way.

Beijing rejects this neat distinction between competition and co-operation. Wang says Washington “wants climate change co-operation to be an oasis in the relationship … however, if the oasis is all surrounded by deserts, then sooner or later the oasis will be desertified”.

The US-China standoff on global issues is essentially a game of chicken. Third party intervention is needed to break the deadlock. A collective approach is needed, both because middle powers can’t manage great powers, and we live in a more multipolar world.

For example, the 1972 US-USSR Incidents at Sea Agreement, which helped reduce miscommunication and miscalculation on the seas, is often cited as a useful precedent for US-China guardrails.

But Australia needs to be included in any such agreement, something brought home by China’s People’s Liberation Army’s recent dangerous and unprofessional interceptions of Australian P8 surveillance aircraft.

By putting more emphasis on the management of great power relations, Australia is likely to find itself lining up more with countries in our region, especially those in South-East Asia which view the animosity between the US and China as a greater threat than one side or the other.

By recasting Australia’s objective as “strategic equilibrium” during a recent speech in

Singapore, Foreign Minister Penny Wong appealed directly to that sentiment.

But achieving that equilibrium will require more active and even ambidextrous diplomacy. As well as working with the US in China-balancing groups, such as the Quad and AUKUS, Canberra will have to co-operate more with groups that are demanding that both sides reduce the risk of conflict and increase co-operation on global issues.

An early dilemma for this approach is posed by the Treaty on the Prohibition of Nuclear Weapons. This treaty came into force in January 2021 and Prime Minister Anthony Albanese committed to signing on before he won the federal election.

Because no nuclear power has signed on, the treaty is largely symbolic and aspirational. There would, however, be at least some tension between Australia's obligations under the treaty and its reliance on US nuclear deterrence.

But it is hard to see how Australia can reclaim its status as a leader in arms control without finding some way to reconcile the treaty and its US alliance commitments.

Australia won't be able to adopt a plan B without occasionally irritating Washington.

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