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Get-tough rhetoric has denied us any sway with Beijing

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As foreign minister I recall an irritating flare-up in our relations with one of the Pacific states. There had been a ‘misunderstanding’ at Sydney airport that upset the island state’s prime minister. The anger ran strong and the state contemplated a big anti-Australian gesture: terminating an arrangement under which we trained their police. And, here’s the rub, inviting China to fill the gap.

More interesting was the Chinese response, captured by one of our agencies. China rejected the notion of moving in because it knew it would antagonise Australia.

At the time we had differences with China over Huawei and US Marines, but still managed a mutually respectful, pragmatic relationship.

Last week there were reports of Australia and New Zealand sponsoring a Pacific Pact to include, among other things, agreement on police training.

It may be a useful initiative. But if our relationship with China were in something approaching normal working order we could go further and contemplate negotiations toward shaping its policy in the Pacific.

We could tell China we would send a team of federal and state treasury officers to each of the Pacific Island states to advise on debt management and help ward off any unsustainable aid deals. We could offer to jointly fund aid projects with China that meet OECD guidelines for overseas development assistance. We could seek an agreement from the Chinese that all their aid in the region would meet the same Western profile.

Right now New Zealand could open such a dialogue with China, or for that matter Canada or France. But one price we pay for becoming, since early 2017, so flamboyantly anti-China in our rhetoric is the missed opportunity to forcefully press China about its behaviour in a part of the world more important to us than

for them. By adopting the language of ‘China containment’ in official speeches beginning in January last year we were giving up this option.

Parody of Chairman Mao

Moreover, some of the anti-China panic that consumed media mid-year appeared to have been driven from the Prime Minister’s office. In December the Prime Minister gratuitously opted to parody Chairman Mao when introducing anti-foreign interference legislation. To the Chinese it then looked like Barnaby Joyce had been unloosed to drive the rhetoric even more wildly when he said in January that the Chinese can ‘overrun’ us. The same for Concetta Fierravanti-Wells when she publicly attacked Chinese aid in the Pacific. The more intelligent path would have been to have opened the sort of discussions I suggest above.

When Australia opts to become the American ally with the most adversarial policy towards Beijing we also risk losing opportunities in trade. The 2015 Free Trade Agreement included a Chinese commitment within three years to review investment access of Australian firms and negotiate privileged access immediately afterwards. In other words, the possibility stood that Australian firms could not only get their goods through Chinese ports at lower cost than competitors but could set up shop on the ground more freely. But how likely is it that Chinese negotiators will come to the party given over 12 months of rhetoric that currently positions Australia more at odds with China than China’s strategic rivals India and Japan?

A third foregone opportunity is in the Belt and Road Initiative. All the reservations expressed by Australian spokespeople about the BRI are the stuff of reasonable policy. We should indeed be talking about transparency. We’re entitled to ask about specific deal flows for private-public partnerships in airports, toll roads, rail.

It was right to reject badging of Chinese investment in Australia’s north as part of BRI. An MOU with China, like New Zealand’s, would mean very little until the deal flows start.

Global conversation

But if we had a normal relationship with Beijing, we could put ourselves in the vanguard of Western nations which respect China’s global conversation about infrastructure but want to have it governed by healthy multilateralist benchmarks. After all, Australia under Abbott joined the AIIB and then took a lead role in devising rules for governance. The Chinese accepted them.

If, however, the Prime Minister and Foreign Minister read into the record speeches written by the most ideologically anti-Chinese among their advisers, we surrender opportunities to drive such dialogue. Especially if, as well, the government appears to have relished and even fed an anti-China media panic.

A pragmatic, national interest-based China policy seemed to work for most of the Abbott prime ministership. Returning to it doesn’t require Australia to alter its diplomatic position on the South China Sea one iota. I’ve repeatedly said as foreign minister I’d be using identical rhetoric on maritime territorial disputes as that used by Julie Bishop. Yet when diplomacy in Asia is in flux due to Trump, and when the world trading system could collapse in on itself, and when China’s trajectory to world’s largest economy is clear, surely Australia can rediscover the diplomatic skills to remodulate. And then seize opportunities that right now are beyond our grasp.

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