

## Perspectives

# Guarding against assumptions about Australia's national interests

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In managing Australia's complicated relationship with the People's Republic of China (PRC), we need to guard against the assumption that America's interests are identical to Australia's. As I wrote in my recent Lowy Institute Penguin Special *Reconstruction*, many Australians know quite a lot about the United States and not much about the PRC.

We speak the same language as Americans.

We are enthralled by their history and politics; we visit America with familiarity, ease and pleasure; we have American friends; we share a culture of political democracy, rule of law, market capitalism and high living standards.

We read the same books, listen to the same music, watch the same movies, use the same social media, laugh at the same jokes.

America is the most popular destination for Australians studying abroad.

We esteem the good opinion of Americans and, in many professional fields, regard publication or recognition in the United States as superior to recognition at home. Our financial markets still follow America's, even if our economy no longer does.

This cultural inclination extends beyond the commentariat to government agencies. While Australia's various national security arms will always declare their singular focus on Australian interests, the fact remains that most of the threat intelligence about the world beyond the South Pacific and most of Australia's military technology and a great deal of its military hardware come from the United States.

Australia hosts American military training camps and joint intelligence facilities. Australian military officers are embedded in US Indo-Pacific Command, and Australia sustains a large military delegation attached to its embassy in Washington.

This means that Australia's national security officials sometimes assimilate an American point of view.

By contrast, we visit the PRC infrequently.

Tourist travel is easy and interesting, but to visit professionally and safely, one needs a formal invitation, the correct visa, a schedule of people to meet. Contacts who are actually useful are prized beyond measure.

Without fluent Mandarin, we rely on drivers or taxis rather than public transport to get about, we have few informal exchanges, and either meet only fluent English-speaking Chinese or do the best we can with translators.

Compared to Washington, Beijing is a trying work place.

Because of the familiarity of the United States and relative unfamiliarity of the PRC, many of us who find themselves thinking and writing about Australia in the world are consciously or unconsciously drawn to an American point of view.

What is good for America, we presume, is good for Australia.

We share this way of seeing the world with the British, though we have long lost the habit of seeing the world from a British point of view.

But we need to be clear that this Australian rapport with America is foreign to the American way of seeing the world, which is from a decidedly American point of view.

Yet Australia is not America, and it has different interests.

Australia is not a great power.

Australia's total production is around one-fiftieth of global production, its population less than one-hundredth of global population. Compared to a state of the United States, it now has a bigger economy than Ohio, but a much smaller one than California, Texas, Florida or New York.

The United States runs a substantial trade deficit with the PRC, while Australia runs a substantial surplus.

Australia designs its trade policy structure around the objective of increasing integration into East Asia, a region dominated by the PRC's economy.

America does not.

America's closest trade relations are with its neighbours, Canada and Mexico – neither of them important trade partners for Australia.

Australia recognised the PRC in 1972, long after the United Kingdom but well before the United States. Even before recognition it traded with China, despite US disapproval.

Australia has a fairly comprehensive bilateral free trade agreement with the PRC, one negotiated under both Labor and Liberal governments.

The United States does not.

As a precondition for that agreement, Australia has long treated the PRC as a 'market economy' – a long-standing Chinese global goal.

America does not.

During the COVID-19 pandemic, Australia signed the Regional Comprehensive Economic Partnership (RCEP), a trade agreement that includes the PRC, the Association of Southeast Asian Nations (ASEAN), South Korea, Japan and New Zealand.

It does not include the United States.

Australia is also a member of the Trans-Pacific Partnership (TPP) agreement, which will enhance economic integration of its members. The Trump administration withdrew from the negotiations for that agreement in 2017; the PRC was not a party.

Australia has a bilateral free trade agreement with the United States. In the 14 years between the agreement coming into force in 2005 and the eve of the pandemic, the value of goods exports to the United States

increased by nearly 50 percent — a solid rise. Goods exports to the PRC over the same period increased by over 800 percent.

These facts remind us that Australia is not a great power.

And that it cannot think of itself as the PRC thinks of itself: it has national interests that are different to those of the PRC.

So too, it cannot think of itself as America thinks of itself. It cannot adopt the stances that may be suitable for America, or the alliances or the enmities that may be suitable for America, because it is not America.

It need not debate the best way to compete with other great powers because it is not a great power.

It is not a strategic competitor of either the PRC or America.

It does not debate the best way to impose its values on the rest of the world, because it has no capacity to impose its values anyway.

It may admire America, share its values, enjoy its culture, cultivate its goodwill; it may encourage America to act in a manner consistent with Australia's security; but Australia's national interests are not America's national interests.

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He has written six books, including the two-volume *John Curtin's War* (Penguin, 2017; 2018) and *Keating: The Inside Story* (Viking Books, 1996).

He has been a member of the board of the Reserve Bank of Australia, Chief Economist for HSBC Bank in Australia and New Zealand, and was a senior economic adviser for Treasurer and then Prime Minister Paul Keating.