

Only the hawks are unhappy as China relations stabilise

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January 15 2024

Note: This article appeared in *The Australian Financial Review* on January 15 2024.

Australia's China hawks spent 2023 becoming increasingly frustrated by the Albanese government's handling of relations with Beijing. By year's end, the accusations and insults were flying freely.

But if the positive trajectory in Australia-China relations begun in May 2022 is to continue, then Canberra would do well to stay the course. And it can do so confidently: the hawks might be noisy, but the Australian public remain unpersuaded by their lobbying.

One common hawk criticism is that by having a goal of 'stabilising' the relationship, the government has become hung up on mere 'atmospherics'. In doing so, Canberra has fallen into a 'foreign policy trap' laid by Beijing and become reluctant to 'call out' Chinese bad behaviour.

Another is that the Albanese government is pulling its policy punches. For example, there's the claim that by offering a negotiated settlement to trade disputes involving barley and wine, rather than forcing Beijing to face a public shaming in the form of an adverse ruling at the World Trade Organisation (WTO), Canberra missed a chance to deter Chinese economic coercion and defend the international rules-based order.

Foreign Minister Penny Wong's overarching foreign policy goal of seeking a 'strategic equilibrium' in a multipolar region is dismissed as 'naive and fuzzy thinking'. The argument goes that what's needed instead is for Australia to unequivocally back the US in strategic competition and take China on.

Sure, it's begrudgingly acknowledged that under the Albanese government's watch, trade restrictions have mostly been removed, and Australians detained in China like Cheng Lei are now back home.

But, according to the hawks, such foreign policy 'wins' don't owe to Labor's superior diplomatic approach. Rather, Beijing simply came to understand that its previous hardline tactics weren't working and so reversed course.

All these claims and assessments strain credibility.

If the goal of 'stabilisation' is misguided, it's curious that senior Biden administration officials have taken to increasingly emphasising it.

Cynics might write off the smiling photo ops that accompany leaders and ministerial-level meetings as mere 'atmospherics'. But the serious discussions that follow have seen Joe Biden himself declare that, 'there is no substitute to face-to-face discussions' with China's political leaders.

And words matter. Recall that before the bilateral relationship went into freefall in May 2020, Canberra made plenty of policy choices that upset Beijing, such as banning Chinese technology company Huawei from participating in Australia's 5G rollout. Yet, it was only after Scott Morrison began aping Donald Trump's rhetorical attacks on Beijing over the COVID-19 pandemic that Australian exports began being disrupted.

There's no doubt that by the end of 2021 Beijing realised that its trade attacks were proving ineffective in shifting Canberra's political positions. But it doesn't follow that if the Morrison government were returned and doubled-down on megaphone diplomacy that Australian exporters would have seen their market access restored nonetheless.

The idea that offering Beijing a face-saving off-ramp only encourages Chinese economic coercion fails to understand the concept of deterrence. This involves making threats to prevent something from happening.

What reason is there to think that China would find having to face a formal WTO ruling now so alarming as to change its calculus the next time it contemplates disrupting trade for geopolitical ends? After all, a barrage of adverse WTO rulings has not deterred the US, the world's other great power, from continuing to break international trade rules.

Meanwhile, Wong's vision for the region order is firmly aligned with countries in South-east Asia, that vast expanse of geography between Australia and China. No country wants to be dominated by China. But there is next to no desire to preserve US primacy by lining up to support China's containment. Rather, the consensus is that further improvements in Chinese living standards and integrating it into the broader regional economy is desirable for both prosperity and security.

The Australian public are firmly behind the change in approach the Albanese government has championed.

That the Morrison government's hyping of the China threat for domestic political purposes backfired at the ballot box has been confirmed by the Liberal Party's own post-election review. This concluded that being more sensitive to Australia's Chinese community and rebuilding the party's relationship with it must be a priority of the Peter Dutton-led opposition.

Polling by the Australia-China Relations Institute also shows that Labor now holds a clear 20 percentage point lead over the Coalition as the party 'best placed to handle Australia's China policy'.

That's likely because, unlike the hawks, the Australian public hold nuanced and pragmatic views. On the one hand, 67 percent express concern and apprehension about relations with China. On the other, nearly the same percentage support trying to build closer ties with China, not least of all because the economic benefits from doing so are widely appreciated.

And according to a poll last month by *The Australian Financial Review*, of 10 parameters tested, the public gave the Albanese government a net positive rating in 2023 in only one: improving 'Australia's relations with China'.

There's plenty of areas where the government might benefit from changing tack in 2024. China policy isn't one of them.

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