

The Asian white paper: will we face our problems or jeopardise our future?

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We can't necessarily blame the government for not knowing how to deal with the problem of rising strategic rivalry between America and China. But we can blame it for pretending the problem doesn't exist.

By denying the obvious, the government looks ridiculous and dishonest, and puts Australia's future at risk. Julia Gillard's Asian century white paper provides an opportunity to acknowledge the problem and start looking for solutions.

The government's foolish and dangerous predicament was perfectly demonstrated by Defence Minister Stephen Smith last week. In Singapore, he applauded US Defence Secretary Leon Panetta's declaration of America's determination to confront China's growing power, and his call to allies like Australia to support it.

Two days later, Smith was in Beijing telling Chinese leaders the opposite: that neither Australia's alliance with the US, nor Australia's own defence policies, is directed against China.

Of course, the Chinese did not believe him. They know that over the past few years America's foremost strategic priority — not just in Asia but globally — has been to resist China's challenge to US primacy in Asia.

For the first time in 40 years, America sees ANZUS as directed against China, and by welcoming US marines to Darwin we have told Washington, and Beijing, that we see it that way, too. So why did Smith tell such transparent porkies in Beijing? The key reason is domestic politics. Smith was not expecting to fool the Chinese, but he was willing to be taken as a fool by them rather than acknowledge within earshot of the Australian public that China's growing power is transforming our strategic environment fundamentally, with immense and so far uncertain consequences for our alliances and defence posture.

The government has tried to avoid responsibility for deciding how to respond to this transformation by trying to persuade us all that somehow the rise of China — the biggest shift in strategic power in history — makes no difference to Australia, even though it pits our greatest ally against our biggest trading partner. But doing this, the government is losing any chance of adapting its policy to protect our interests through the biggest strategic change in Australia's history.

This is what makes the white paper on Australia in the Asian century so important. It is the best opportunity the government has had so far to start explaining to Australians what the rise of China means to us strategically and begin to debate what we should do about it.

Gillard launched the Asian century white paper process with a speech in Melbourne last September. For the first time she began to acknowledge that the rise of China and other Asian giants is not just an economic story but a strategic and political event of the first order, with immense implications for the way the countries of Asia get along with one another and how we in Australia relate to them.

This was potentially the most important speech on foreign policy we have seen, not just from her but from any prime minister in decades. But that depends of course on what the white paper itself says.

Sometime over the next few weeks, Gillard and her key ministers will meet to consider a draft of the white paper. They will face a tough choice.

The white paper will be a failure unless it also explores the deeper questions that the Asian century is already posing about how Asia's political and strategic landscape is changing and where we fit in. For our entire history we have been able to rely on America, or before them on Britain, to keep Asia safe for us. They have set the rules in Asia in our favour.

But all that now changes. This is what the rise of Asia and the Asian century means above all else. Our Western friends will no longer be the strongest countries in Asia, and we will have to adapt to a new and much less comfortable geometry of power.

Above all, the white paper needs to acknowledge that the rise of China does not mean that American power in Asia is finished, or that we should swap allegiance from Washington to Beijing. But it does mean that America will no longer be able to dominate Asia and must instead find a way to accommodate China and work with it.

That means we have to try to persuade Washington not to confront China, as it is doing now, but to work with it. We should also try to persuade China that it, too, must accept a continuing role for America in Asia. Both will have to do a lot of compromising.

Australia, of course, desperately hopes that these two giants can live in peace, but so far our policies and rhetoric have only helped make their rivalry worse. We cannot remedy that and start becoming part of the solution until the government is brave enough to admit we have a problem.

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