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## **Australia's Foreign Policy White Paper: Dealing with Uncertainty**

*By Sam Bateman*

### **Synopsis**

*The new Australian Foreign Policy White Paper sets an agenda that seeks to balance Australia's economic and security interests between a more powerful China, its major trading partner, and a less certain United States, its major security partner.*

### **Commentary**

THE AUSTRALIAN government has released a new White Paper to establish its foreign policy for the next decade. It comes 14 years after the last White Paper on Australia's international relations. The latest Paper acknowledges that the international environment has changed significantly since the last one with increased complexity and more uncertainty. It also reflects the changes in Australia itself over the past 14 years.

The new Paper is largely focused on the challenges posed by the rise of China alongside uncertainty about the future of American engagement in the Indo-Pacific. It indicates that Canberra intends to prioritise cooperation with the United States and other like-minded regional stakeholders to balance against China's increasingly assertive presence. However, while the Paper does not explicitly say so, it implies the US is no longer as reliable as it once was.

### **Driving Forces**

While the balancing act between China and the US has attracted the attention of most commentaries on the White Paper, it also says a lot about Australia's other interests.

It gives considerable attention to trade and economic issues. The Minister for Foreign Affairs and the Minister for Trade, Tourism and Investment jointly released the Paper.

Economic factors clearly have a major influence on Australia's foreign policy, including the importance of the tourism market domestically. The Paper warns of increased risks of economic nationalism and protectionism. It commits Australia to an open, outward looking regional economy strongly connected to global markets and with a broadening network of free trade agreements.

Among the other interests it covers, the White Paper singles out Papua New Guinea and Timor-Leste as the two countries most in need of support from Australia. It highlights that with the world's third largest exclusive economic zone (EEZ), Australia has a fundamental interest in regimes for governing the oceans that are increasingly under environmental threat. It observes that Australia has sovereignty over 42% of the Antarctic continent, and prioritises a leading role in the management of Antarctica.

Five key actions for Australia's foreign policy flow from the White Paper. The first is the pursuit of economic opportunities with Indo-Pacific partners. The second will be efforts to shape the region in association with like-minded democracies that share Australia's interests and commitment to rules-based institutions: India, Japan, Indonesia and South Korea are the Asian countries mentioned in this context.

The third is to treat Southeast Asia as a top priority, including a commitment to increasing Australia's investment in maritime security capacity building in that region. The fourth is to match this greater commitment to Southeast Asia with similar actions in the South Pacific. Lastly, resilience and self-reliance are new themes that run strongly through the Paper.

### **Relations with China**

The White Paper commits Australia to strong and constructive ties with China, However, it is forthright in its criticisms of actions by China, especially in the South China Sea, which it sees as a major 'fault line' in the region. It implies that China is behind challenges to 'the rules-based international order'.

Predictably these parts of the Paper attracted an indignant response from Beijing, although there were also some comments from China that it provides a sound, objective view of the bilateral relationship.

Like other regional countries, Australia's bilateral relationship with China is a vexed challenge for foreign policy. While showing concern about the destabilising potential of some Chinese activities, foreign policy must also recognise the fundamental importance of good relations with China.

Apart from China's domineering position in Australia's overseas trade, over a million Chinese tourists visit Australia each year and about 160,000 Chinese students are studying in Australia. China is now the major source of both overseas tourists to Australia and overseas students. Chinese investment in Australia is also highly significant and sometimes a vexed political issue.

## **Relations with the United States**

The White Paper says Australia is strongly committed to supporting America's global leadership. It sets a foreign policy objective to actively encourage the US to remain involved in the region. It reflects Australia's ongoing belief that the Washington-led regional strategy remains the best one for the region.

Over the years Australia's security has been supported by its alliance with the US and privileged access to American technology and intelligence. In helping the US to remain engaged in the region, Australia plans to increase the access it provides to American military forces. However, this move may not be well received in some parts of the region. Indonesia in particular could have concerns, having previously criticised the American military presence in northern Australia.

## **Planning Problems**

The White Paper acknowledges that planning for an uncertain future is problematic. It involves dilemmas, especially the need for good relations with both Beijing and Washington. The Paper also identifies major international opportunities for Australia but then predicts increasing political alienation and economic nationalism. It sees the South China Sea as a major fault line, but then does not acknowledge the recently improved situation there.

While the White Paper talks a lot of uncertainty, the future direction of the region may already be known. China's growing influence and the decline of American influence are established trends unlikely to be reversed. Despite the Paper's pious expectation that a post-Trump America will return to the region and assist the preservation of the post-WWII order, that outcome is uncertain at best. The White Paper continues the polite fiction that Australia does not need to make a choice between Washington and Beijing. But in reality it is frequently making that choice by, for example, not engaging in more assertive FONOPs in the South China Sea and by joining the Asia Infrastructure Investment Bank (AIIB).

In hoping for the restoration of American power and influence, the White Paper looks back nostalgically to the past regional order. It might have shown greater sensitivity to the changes that suggest a US-led regional order is no longer realistic.

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