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Progressive Australian views will win out over parochial Foreign Policy White Paper

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Abstract
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Progressive Australian views will win out over parochial Foreign Policy White Paper

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No doubt, Australia's parochial anxieties about China in its recent Foreign Policy White Paper stem from a Eurocentric establishment with entrenched "Cold-War" era views about international relations and fantasies about preserving a bygone legacy of Anglo-American hegemony.

The $1 trillion investment by China in its bold and innovative Belt and Road initiative offers an infrastructure backbone of maritime, land and digital trade, which would accelerate global economic growth and revive China's historical legacy in boosting entrepreneurship without compromising necessary protections for the weak. This is crucially important at a time when our world is divided by poverty, crippling national debts and the rise of ultra-nationalism.

China's infrastructure-driven alliances spanning more than 68 countries and 4.4 billion people, and which comprise 40 percent of global GDP, will not only bring prosperity to its underdeveloped northwestern part, but also to Russia and to other economically vulnerable countries along its new Silk Road. China is the largest single trading partner to more than 25 member countries of the Organisation of Islamic Cooperation that are part of the Belt and Road, and the second-largest to 22 Arab countries. These strategic economic alliances can only help propel economic development and neutralize the existential threat of global Islamist fundamentalism in the long run.

The South China Sea is one of the busiest shipping routes in the world, especially for crude oil shipments that are growing with the growth of China's consumption of oil.

However, it has been plagued by piracy for a very long time, and more recently the return of large numbers of Southeast Asian jihadists who fought for the Islamic State in Iraq and Syria, especially to Indonesia and the southern Philippines.

The PwC "World in 2050" report predicts that based on purchasing power parity, emerging economies like Indonesia, Brazil and Mexico have the potential to become larger economies than the UK and France by 2030 - with Indonesia expected to rise to fourth in the world ranking by 2050. Therefore, future "cost-effective" access to Indonesia is critical to China.

There is an obvious "accounting" rationale to China's strategic view of the South China Sea. The global dominance of Chinese products is being curtailed through a number of economic mechanisms. The first is to increase its cost of access to markets, by means of higher tariffs, such as anti-dumping duties. On November 30, the US formally opposed China market economy status at the WTO (in support of the EU ongoing case against China), which is only a ploy to increase Chinese products access costs to markets, in order to slow down China's growing economy.
The second is to increase its transportation costs, by means of maritime charges, similar to overflight fees for controlled airspace, or higher charges for refueling and maintenance stops by the different countries in dispute with China in the South China Sea.

In light of this, it stands to reason that China would protect the right of passage in the South China Sea by having a number of satellite posts that would double up as maritime security posts to ensure safety against piracy and terrorism, and as refueling stops along the Maritime Silk Road in the South China Sea.

Despite the contentious centuries-old territorial disputes concerning the South China Sea and its untapped oil and gas deposits, the foreign ministers of ASEAN nations adopted a pragmatic framework in August 2017 for a Code of Conduct in the South China Sea to focus on their common economic and security interests.

China’s conciliatory approach with ASEAN members ensures the containment of any future threat to the maritime silk route. It may negotiate reasonable maritime charges with the adjoining countries of the South China Sea, which would be a win-win economic resolution to part of the conflict that threatens to blow out its Belt and Road maritime route transport costs.

The uninhibited pursuit of the elites' self-interest did not trickle down to make our world more equitable, let alone a safer place. The emerging and developed world in Africa, Asia, the Asia-Pacific, the Middle East, Europe and Eurasia took a leap of faith with China’s Belt and Road as a path to a more equitable economic prosperity and stability.

It was also in recognition that our world in the 21st century deserves a new pragmatic leadership of international affairs that is not rooted in the failed policies of exceptionalism and preemptive interventions.

It remains to be seen if Australia's establishment would come to trust China anytime soon to lead our world at a time of an increasingly myopic American leadership that is too self-obsessed with its own identity politics and endemic US socio-economic problems.

My bet is that the Australian common progressive sense will prevail over provincial loyalties.

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