

2021 & MAINTAINING THE RAGE AGAINST XI'S CHINA POST-TRUMP – A MATTER OF PUTTING PRINCIPLE BEFORE PRAGMATISM



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As 2020 rapidly comes to a close, the world is still reeling from COVID-19, a disease that has shattered public confidence in healthcare systems and governments alike, altered global economic trajectories and caused a level of human misery not seen since World War II. For a generation unused to this level of world-wide public, economic, societal and governmental disruption and anxiety, it will be interesting to see whether 2021 sees a return to something approaching normal life with the release of a number of COVID-19 vaccines. The obvious question will be, in developing these vaccines in record time, did the various pharmaceutical companies push their products out to the international community too soon? Understanding that there was heavy political pressure to get on top of the virus, shortcuts may have been taken in order to fulfil political agendas of panicked national governments, eager to resume normal economic activities. Now, from Russia to China, the UK, the UAE to the US competing vaccines are being distributed to the people. And while one can say that today's pharmacologists are assisted with supercomputers, semi-intelligent algorithms and the like allowing for rapid testing, the problem is that the humans subject to trials of the vaccine are not computers and their bodies are not machines. It therefore takes time to monitor the effects of the various trials. But time is not on our side. We are all now potential guineapigs in a

mass roll-out of a series of different vaccines. Scientists will have entire nations at their disposal as laboratories.

Of course, after the initial shock of the rapid spread of COVID, everyone wanted to blame someone for the outbreak and that blame fell squarely on the Chinese Communist Party (CCP) which initially refused to shut down China's borders to contain the virus and then refused to share vital information about COVID-19 to the rest of the world. Australian Prime Minister Scott Morrison took it upon himself to become the world's foremost advocate calling for an independent international inquiry into the origin of COVID-19. This inquiry is aimed at the CCP's handling of the outbreak and would require international investigators access to China and Chinese officials in an up gunned version of the 1990's UN weapons inspection regime in Iraq. Obviously, this prospect did not go down well with Chinese president-for-life Xi Jinping and other senior members of the CCP, all sensitive to the idea of national humiliation on China's long march toward superpower status. It was not long after Morrison's declaration in support of an international inquiry into COVID-19 that the PRC began some punitive economic sanctions on Australian imports. Then there was the Chinese cyber-attack on Australia in June followed by a raft of ever-increasing imposts on Australian goods entering China alarming a significant section of Australia's business community which foolishly staked all of its future profits on the People's Republic. But with Australia's political parties and universities penetrated by PRC intelligence agencies, and its national business community divided over loyalty to the Australian state or to profit with China, Xi saw Australia as the West's soft underbelly. Morrison has pushed back against the threat posed by the PRC's Wolf Warrior diplomacy, but the question is for how long? While Australia's security agencies have long known and advised the government on the threat posed by economic over-reliance on the People's Republic, it is the government, not the security agencies that ultimately will call the shots in Canberra's relationship to Beijing. Monied interests which have profited handsomely from access to the Chinese market will not forego these interests without a fight. Beijing knows this. By applying Wolf Warrior pressure on Morrison, Xi and the CCP expect that given sufficient time, wealthy Sinophile Australian businesses will change the narrative to their preferred interests, and therefore to the CCP's interests. Given that political parties in the West rely on donations from the business community, and Australia's monopolistic agricultural and mining concerns have the most to lose in an escalated China-Australia trade war, whether Morrison can sustain his position regarding the PRC into 2021 has to be questioned. He has a loyal and highly competent security apparatus at his disposal, but he needs the Australian people behind him and at least 60 percent of the country's business community. Many Australians are justifiably worried about COVID-19 and the high unemployment it has caused as well as the government's commitment to the job keeper and job seeker social security plans. And while most Australians are patriotic, when faced by an external *and* an internal threat as they are now this makes them vulnerable to distraction, anxiety, lethargy and despair.

Enter the Biden administration.

During the presidential campaign of last November, Biden went to great lengths to say that the United States would maintain its rage against the PRC and Xi's international belligerency. However, if, as it is anticipated, a Biden administration repeats the foreign policies of the Obama years, a lessening in Sino-American

tensions can be expected in 2021. Many in Washington understand that over the past 19 years, the idea of unchallenged US power has been eroded through America's wars of choice in Afghanistan and Iraq. The Trump years certainly capped this decline, taking predictable US international leadership off the table and replacing it with a mercurial 'art of the deal' Machiavellianism, without the direction and competence to turn this into a national asset. Trump's commitment to 'America First' spooked allies and encouraged strategic rivals by giving them unprecedented space to ply their national ambitions. Biden inherits a broken and divided America and quite possibly will devote his entire presidency to undo this. If Washington reaches a détente with Beijing in order to repair international trade relations and generate a temporal break to focus on domestic political issues, it is likely Canberra will extend the olive branch to Beijing. The reality is that Australia cannot go it alone against the might of the PRC. In the world of politics and commerce the line of least resistance is often pursued. This is called 'being pragmatic.' Of course, this will be spun in our national interest as we find our way back into the embrace of the CCP. Should this happen, while Washington and Canberra will claim this as a victory for common sense, Beijing would have scored a strategic double-shot victory. A return to 'quiet diplomacy' regarding Xi's China will have the following effects:

- Any long-term national commitment to rebuilding sovereign capability, that is, the onshoring of critical manufacturing capabilities might be rolled back or ditched entirely due to cost and complexity
- Any public support for pro-Democracy protesters in Hong Kong, for the human rights of Uyghurs, Tibetans and other minorities within the PRC will be silenced
- Any talk of assisting in the defence of democratic Taiwan against the PRC would be completely eliminated from all public discourse
- As for any international inquiry into COVID? Well, that would be watered down to meaninglessness or quietly dropped.
- The One China Policy would regain international pre-eminence and renewed legitimacy

Xi's China would have clawed back all its reputational losses over the past 11 months, cementing Xi as a glorious leader, having outfoxed the West without a shot being fired. And naturally those who advocate a strong stance against the PRC will be encouraged to look for other more productive and less offensive ways to air their views.

Getting back to pre-COVID business as usual can't be seen as an impossible scenario. This is not a cynical shot at the Australian or American political elites, just a casual observation based on recent history. Remember the 2007/08 Global Financial Crisis (GFC)? While briefly terrifying politicians, businesspeople and the general public alike, as soon as it was clear to resume pre-GFC trading without fixing the underpinnings of the global economy, that is exactly what happened. Change, real change only happens in the face of an abject catastrophe which burns down the old order. We have not crossed that Rubicon yet. There are too many interests that have

grown wealthy and continue to grow wealthy on the back of the current economic system and the current economic system has been centred on trade with an ever expanding and growing People's Republic. Xi will happily accept a phone call from Joe Biden or Scott Morrison calling for a truce and resumption of pre-COVID relations. This would be a victory for him and the CCP since they are not historical arsonists with revanchist visions of China overturning the world order, or even the Asian order. After all it is an order that underpins their survival and their wealth. However, maintaining a more principled stance against Xi and the CCP *does* threaten the contemporary order and the wealth and position of Chinese communist cadres. Where Australia and the US will find themselves in 6 months from now will indicate the future of their relations with the PRC. If we calculate that the trade war is costing us too much in lost profits, the likelihood of a truce being called is high. And while a truce may not give Xi everything he and the Chinese Politburo want, it will give them enough to declare victory since it is our pragmatism, not our principles that guide our foreign policies.

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