

ALLIANCE NOIR: A HARD-BOILED APPROACH TO GUIDE THE AUSTRALIA-US ALLIANCE

BY ASHLEY TOWNSHEND AND BRAD GLOSSERMAN

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The following is part of a post-election series on the impact of the Biden administration on US relations in the Indo-Pacific. Visit <u>here</u> for part one, <u>here</u> for part two, and <u>here</u> for part three.

Australians are pragmatic, and that perspective guides Canberra's thinking about the change of administration in the US. While most Australians consider the Trump administration's tone abrasive and style unsettling, its policies acknowledged deteriorating geopolitical and strategic dynamics in the Indo-Pacific. The Biden administration should keep to that line, while muting the confrontational tone, mindful of Australian interests. This is not to say Washington should put Canberra's interests before its own, but greater attention to allied interests in an era of strategic competition will help the US achieve its own policy objectives.

The Australia-US alliance fared well under Trump. After a contentious first phone call—Trump hung up on then-Prime Minister Malcolm Turnbull, angered by the terms of a refugee swap deal struck by previous President Barack Obama—leaders in the two countries forged a good relationship and alliance managers in both capitals worked well together. A trade deficit with the US meant tariffs were never part of the conversation, and rising Australian defense budgets and a history of military deployments with US counterparts mostly blunted demands for greater burden-sharing.

Australia's principal complaint was with how Trump dealt with US partners in the Indo-Pacific—shaking down Japan and South Korea over host nation support, and either ignoring or squeezing Southeast Asian states over China policy. His unilateral, aggressively transactional approach undermined trust in US security guarantees and eroded the foundation of a shared approach to regional order. Australians aren't snowflakes: Trump's blunt talk didn't hurt their feelings. But they objected to his mercurial agenda in Asia because it damaged Australian interests, making it more difficult to advance a collective regional strategy.

"Style" also undermined Trump's China strategy. Australians back a competitive approach to Beijing, but they want it to be smart, strategic, and multilateral, not confrontational, unpredictable, and zero-sum. This is why Canberra bought into the "free and open Indo-Pacific" concept, but not the "free world" agenda or baiting of the Chinese Communist Party. Australians also recognize that there are areas where US, allied, and Chinese national interests convergetrade, strategic stability, and global health, etc.--and warrant efforts to work together. (Trump's readiness to cut bilateral deals when it suited him, harsh rhetoric notwithstanding, isn't the same thing and compounded Australian unease about a possible G2 arrangement.) Above all, Australians object to an China policy that undifferentiated imposes ultimatums on partners and fails to acknowledge differences in national responses within a broader framework for cooperation and joint action.

Central to this discussion is the role of values in foreign policy. While acknowledging their importance, Canberra didn't back Trump administration effort to place values at the heart of its Asia strategy. Washington's approach antagonized

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many governments in Southeast Asia, undercutting efforts to build a coalition among prospective balancers with whom the US and Australia share strategic interests but not liberal values (or who don't practice democracy the same way).

Australians were also discomfited by the lackluster role of economic policy in America's Indo-Pacific engagement. Withdrawal from the Trans-Pacific Partnership was an own goal, and for all the attention given to the Blue Dot Network, Build Act, and ad hoc infrastructure and connectivity financing, US economic support in the region has been limited. On the diplomatic front, Australia was deeply troubled by the Trump administration's low-level, inconsistent, engagement and uninspiring with regional institutions-and appalled at the damage it inflicted on the World Health Organization, World Trade Organization, and other multilateral bodies.

To fix these flaws, Biden administration must genuinely prioritize the Indo-Pacific in its foreign and defense policy. Another "strategy" won't fix the problem. Australians have heard successive US administrations talk up Asia's importance even as their initiatives have been under-resourced in funds, focus, or people. This will become even more of a challenge given America's spiraling deficit, Biden's desire to "build back better" at home, and his administration's concern about restoring relations with Europe. Top-level attendance at regional meetings like the East Asia Summit is one good way to indicate US priorities, but won't be enough by itself.

Commitment to the region should include economic projects like the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP, the TPP's successor). While this will be difficult, Biden could more easily strengthen ties to Indo-Pacific economies by extending the e-commerce provision in the US-Mexico-Canada trade agreement or by joining regional trade processes such as the Australia-Singapore Digital Economic Agreement or the Digital Economic Partnership Agreement that includes New Zealand, Singapore, and Chile. The US should immediately and aggressively expand regional health diplomacy, focusing on vaccine distribution, health care capacity building, and supply chain resilience. Washington should do this in coordination with Canberra and Tokyo, who currently lead in Southeast Asia and the Pacific, and should be part of a broader push to develop sustainable, sovereign, and highstandard regional infrastructure.

To strengthen the military alliance, passage of the Pacific Deterrence Initiative (PDI), part of the 2021 National Defense Authorization Act, could be leveraged to more closely involve Australia and other regional allies in Indo-Pacific military and strategic planning. Inclusion of allied perspectives in the early stages of contingency plans, intelligence-sharing, capability development, experimentation, and training will enable alliance modernization and could contribute to a more sophisticated distribution of labor within partnerships. Developing options for collective action and coordinated responses in a crisis will strengthen conventional deterrence in the region.

Allies will watch America's allocation of military resources as a sign of the seriousness of its commitment to the Indo-Pacific. Canberra, in particular, will be extremely skeptical of US requests to contribute to out-of-region deployments in the Middle East that undermine both countries' stated prioritization of the Indo-Pacific.

In all this, China is the primary challenge for the alliance, both as a focus of activity and in the process of fashioning an appropriate response. The starting point for any competitive strategy should be a cleareyed understanding of the nature of the challenge China poses to the regional order and the capacity for collective action among strategically likeminded partners. Washington must lead a response supported by a majority of regional governments: Only a concerted, multidimensional effort can shape Chinese behavior and sustain a stable regional order.

The right balance between confrontation and competition will be difficult. Australia wants a strong US military presence and robust whole-ofgovernment strategy but doesn't want two regional hegemons one crisis from conflict. Canberra's preferences are in sync with other regional capitals. The US and China must avoid military escalation and arms-racing, and should restore crisis management mechanisms and off-ramps to provide ballast in the relationship. At the same time, regional allies must be kept informed of, and given the capacity to feed into, any renewed strategic dialogue between Washington and Beijing.

Constructing a regional consensus to sustain favorable balance of power will be easier if values are not front and center in US policy. Canberra's preferred approach is a regional strategy based on interests, informed by but not focused on values. The call for an alliance of democracies will get a cool response in Australia if it encroaches on this kind of strategy. While governments of similar values should coordinate on standard setting, technology policy, reform of institutional architecture, etc., this initiative should not be at the core of Biden's Indo-Pacific policy.

Australia favors pragmatism, as do most governments in the Indo-Pacific. The US must lean forward in shoring up an increasingly unstable strategic environment, but should do so with flexibility and tolerance for divergent perspectives to bring regional partners along.

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