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Australia and Asia: The Years of Living Aimlessly

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Abstract

This paper examines recent foreign policy and the changing orientation to ‘Asia’ and ‘Asian engagement’. It is argued that despite the general constraints faced by the policy-making elites of smaller powers in an era of ‘globalization’, policy matters. In this regard, recent policy under the Howard government provides a stark contrast to the earlier, proactive, Asia-oriented policies of the Hawke-Keating era.

Throughout Australia’s relatively brief life as an independent nation, relations with its regional Asian neighbours have been of immense significance. While ‘Asia’ may not always have occupied the place on Australia’s foreign policy agenda its importance warranted, simple geographical contingency has meant it was, and is, an unavoidable geopolitical reality that has to be taken seriously. Whether Australian policymakers like it or not there has been little choice other than to come to terms with the looming mass of Asia to their north.

The precise style and substance of Australian foreign policy has reflected a complex and shifting amalgam of domestic politics and wider external imperatives. One factor which has made a difference in both the direction and effectiveness of Australian policymaking, however, has been the enthusiasm and purposefulness with which such initiatives have been pursued by the ruling political elites of a particular era. In this regard, what is most striking about Australia’s Asia-oriented policies over the last few years under the leadership of John Howard’s Liberal-National Party coalition government, has been an apparent ambivalence about the process of regional engagement and a consequent lack of focus and direction in foreign policy. In short, policy has often been ad hoc, opportunistic and aimless.

In order to understand why this is the case, and why there has been such a noteworthy change in the way Australian policymakers have approached relations with Asia over the last few years, it is necessary to place contemporary policies in historical perspective. This task is briefly undertaken in the first part of this essay, before giving more detailed consideration to the political-economic and strategic dimensions of Australian policy in the recent past. The conclusion that emerges from this analysis may be flagged at the outset: even at a time when states are routinely assumed to have lost power as a consequence of ‘globalisation’, the actions of national political elites continue to make a difference and profoundly influence the long-term position of individual states. Whether this potential influence is effectively utilised depends on the ability of policymakers to understand the circumstances that confront them, and then develop strategies to realise
national goals. As we shall see, that ability and capacity has waxed and waned over the years, profoundly influencing the success with which Australia has ‘engaged’ with the region.

**Australia-Asia Relations in Historical Context**

Historically, a number of recurring themes have shaped the actions of generations of policymakers: as a creation of imperial Britain, Australia has always been a long way from ‘home’ and often painfully conscious of its isolation and potential vulnerability. The sense of being strangers in a strange land, surrounded by peoples of whom they knew little other than they were different, alien, and possibly hostile, shaped much of Australia’s early international relations. Indeed, it is still possible to trace the continuing influence of such insecurities and uncertainties in contemporary policies.

This sense of isolationism and vulnerability when combined with a striking lack of desire for autonomy, inaugurated policies that were characterised chiefly by their dependence on ‘great and powerful friends’ – in Australia’s case, Britain and then the United States. Remarkably, although nominally an independent nation since 1901, Australia did not even move to establish independent diplomatic relations before World War 2, preferring instead to rely on Britain to mediate its external affairs. It required the unambiguous confirmation of Britain’s decline, evidenced by its expulsion from Southeast Asia at the hands of the Japanese during World War 2, to break the colonial mindset that had prevailed hitherto in Australia. Even then, however, the net effect of the changing geo-political balance in the Asia-Pacific was simply to exchange one strategic dependence for another, as the United States replaced Britain in the minds, if not the hearts, of Australia’s strategic planners.

And yet the changing realities of Australia’s regional position were apparent even before the Second World War. Not only had Japan’s growing imperial ambitions demonstrated that there was now a major military power in East Asia, but its rapid rise to become Australia’s second largest trading partner during the 1930s also revealed the extent of its growing economic importance to Australia. The contradictory nature of Australia’s relations with Asia – part economic opportunity, part strategic threat – were encapsulated in this increasingly important relationship, and continue to characterise relations with the region to this day. What has differed is the success with which this fundamental paradox has been reconciled by policymakers in different eras.

At its most egregious, this tension led to abominations like the ‘White Australia’ policy, which was a defining orientation toward the region for much of the twentieth century. Dedicated to preserving not only Australia’s strategic integrity, but also its distinctive Anglo-Celtic culture, the enduring effect of the White Australia policy has been to provide an excruciatingly embarrassing legacy for subsequent generations of policymakers keen to embrace ‘Asia’, rather than keep it at arms length. The principal motivating force behind this belated change of attitude toward the region on the part of Australia’s political elites was largely a pragmatism borne of economic expediency: the direction of Australia’s trade changed profoundly in the post-war period, to a point where
its major trading partners and export growth were overwhelmingly concentrated in the
Asian region. Yet, despite the possibly self-serving nature of Australia’s positive
reorientation toward Asia, the nature of the changes they engendered appeared deep-
seated and permanent.

Historically, the content and direction of Australia’s relations with Southeast Asia in
particular has reflected an array of domestic and international forces. Australia’s
participation in the struggle against communist insurgency in Malaya, for example,
occurred within the overarching framework of the Cold War and its concomitant strategic
commitments. Indeed, the logic of Australia’s alliance commitments culminated in what
Stephen Fitzgerald calls ‘the great post-war symbol of Australia’s attitude to Asia’ – the
failure to recognise and the attempt to contain communist China. It was not until the
‘watershed’ change of policy that began with the Whitlam government’s recognition of
China in 1972 that a more independent stance toward the region emerged. This shift
toward a more enthusiastic and independent embrace of the region continued under the
Fraser government and culminated in the broader ‘engagement’ initiatives of the Hawke-
Keating governments of the 1980s and early ’90s. This period saw the establishment of
enduring regional institutions in which Australia has played a prominent role. Although
the Asia Pacific Economic Co-operation (APEC) forum and the Asean Regional Forum
(ARF) may not have fulfilled some of the more optimistic expectations of their promoters
they might have been expected to cement Australia’s place in the region’s emerging
institutional architecture. That Australia’s status is still in doubt is testimony to the
difficulty of unambiguously defining its place and role in the region.

Part of this uncertainty has domestic roots. The current Howard government has
displayed rather more ambivalence than its Labor predecessors about the direction and
content of the Asian engagement process. The sense of uncertainty that has characterised
the Howard government’s approach to relations with North and Southeast Asia – by far
the most important elements of ‘Asia’ as far as Australia is concerned – has permeated all
aspects of external policy. To gain a more detailed sense of how this relative lack of
direction and commitment has manifested itself, it is useful to divide the discussion into
broadly political-economic and strategic spheres.

The Political-Economy of Australia’s Asian Engagement

To understand why the Howard government has been more cautious about the Asian
engagement process, and why it has been given far less prominence in Australia’s policy
agenda than it has been by some of the present government’s, we need to remember the
circumstances in which the Liberal-National Party coalition came to power. One of the
recurring themes of Howard’s successful election campaign was that the government of
former Labor Minister Paul Keating was arrogant, ‘obsessed’ with Asia, and out of touch
with the interests and concerns of ‘ordinary’ Australians. One of the major lessons that
Howard appears to have drawn from his subsequent electoral success is that the old saw
about there being no votes in foreign policy holds true, and that there is little to be gained
by prioritising Asian relations as far as domestic political success is concerned. On the
contrary, the remarkable rise of Pauline Hanson’s nationalistic, insular, and anti-Asian
One Nation Party, seemed to confirm the political wisdom of concentrating relentlessly on domestic issues, and explained Howard’s subsequent reluctance to unambiguously distance himself from her party’s policies and attitudes.

But the diminished enthusiasm evinced by the coalition government in general and by Howard in particular has deeper roots than simply a rather cold-blooded assessment of the electoral mood. Not only was Howard’s own record compromised by politically ill-judged remarks in the late 1980s about the need to control Asian immigration, but his self-confessed admiration of Anglo-Celtic cultural traditions has led him to steadfastly obstruct a number of initiatives designed to revitalise Australian political institutions and achieve social reconciliation domestically. Whether it was his skilful derailing of the popularly supported push to make Australia a republic, or his refusal to offer a government endorsed apology to Australiaʼs aboriginal population, the Howard government has proved itself to be a highly conservative domestic force. It is less surprising, therefore, that such attitudes should influence external policies, too.

The Howard government inherited a distinctive and highly ambitious approach to regional engagement. Policy under former Prime Minister Paul Keating had been based on nothing less than an attempt to win East Asia over to its own increasingly neoliberal policy paradigm, particularly in the area of trade liberalisation. That APEC - Labor’s preferred mechanism for achieving such a goal - has not fulfilled expectations, has not stopped the Howard government from broadly following Labor’s lead. What has been distinctive and innovative about the coalition has been its advocacy of strengthening bilateral ties at the same time.4 The Howard government, in other words, has tried to utilise multilateral institutions like APEC to give some impetus to the broader, long-term process of regional trade liberalisation, while simultaneously pursuing increasingly bilateral agreements with specific partners.

This move to embrace bilateral agreements is not entirely new, nor exclusive to Australia. Indeed, of late there has been a rash of such initiatives in the region, partly driven by the failure of the World Trade Organisation to initiate a new round of multilateral trade negotiations in Seattle. One of the most important developments in Australian foreign policy that has flowed from this changing international situation, and one of its most conspicuous failures in 2000, was its frustrated attempt to link Australia’s own bilateral free trade area – the Australia-New Zealand Closer Economic Relationship (CER) – with that of Southeast Asia. The rejection of the proposed union between the CER and the Asean Free Trade Area (AFTA) was a decisive blow for Australia’s economic diplomacy and highlighted a number of important and continuing difficulties in Australia’s relations with the region.

One of the most enduring obstacles to improving Australia’s economic and political relations in the East Asian region actually pre-dates the current government. Australia’s relations with Malaysia have been difficult since its Prime Minister, Datuk Seri Dr Mahathir Mohamad came to office. Malaysian sensitivities about supposed criticisms of its domestic policies generally and of Dr Mahathir in particular have been at the heart of continuing tensions between the two countries. Whatever the merits of these arguments,
the net effect of Malaysian antipathy as far as Australia is concerned has been to lock it out of a number of potentially crucial regional institutions of which it desperately wanted to be a part. Australia’s exclusion from the Asia-Europe meeting (ASEM), for example, is a continuing reminder of the constraints of Australian foreign policy in the region. The recent failure to link the CER and AFTA compounded the sense of policy failure toward the region. Significantly, despite a highly favourable report from the task force charged with assessing the viability of closer CER-AFTA links, Malaysia was effectively able to sabotage Australia’s efforts and demonstrate Australia’s continuing vulnerability to Asean vetoes more generally.5

It might be supposed that given the apparently imminent retirement of Dr Mahathir, that one of the most significant obstacles to Australia’s closer economic, and by implication political integration with Southeast Asia will be overcome. But it is important to remember that this sort of more intimate interaction is a two way street; engendering a more positive attitude toward Australia in the region will depend as much on Australia itself, as it does on any change of sentiment in the region more broadly. Indeed, generating good will toward Australia would seem dependent on the Australian government projecting the right sort of ‘image’ in East Asia generally. In this regard, there have been a number of mixed messages both in the political-economic and – as we shall see - in the security spheres which have made such an improvement in relations more problematic.

The end of engagement?

Deciding on Australia’s status in relation to East Asia is a recurring theme amongst policymakers and opinion leaders in Australia.6 One of the most revealing and unfortunate signals about the way the current government sees its relations with the region was provided by the Foreign Minister Alexander Downer in a statement which one influential Australian commentator described as ‘the most depressing, negative and counterproductive formulation on regionalism by any senior minister in decades’.7 Downer argued that there are two forms of possible forms of regionalism, one ‘practical’ and one ‘cultural’.8 He further claimed that Australia could only practice a form of practical regionalism as enduring cultural differences between Australia and ‘Asia’ meant that Australia was inevitably prevented from developing closer ties. Apart from demonstrating little appreciation of the disparate and often conflicting identities and positions subsumed under the rhetoric of East Asian regionalism, Downer’s remarks effectively excluded Australia from participation in a process in which a putative sense of East Asian identity was and is being actively created. The possible expansion of Asean to include other nations like Japan, China and South Korea – countries which seemed to have no ‘natural’ claims to close ties with Southeast Asia - is a potentially highly significant development that a more Asia-oriented Australian government might have been expected to have tried to become a part of, or at least influence. Yet the lack of a sophisticated strategy for, or understanding of Asia - which Downer’s remarks so clearly revealed - means that Australia has been sidelined from what may prove a crucial long term regional development.
It might be argued that the pursuit of ‘practical’ regionalism is entirely appropriate and something other nations practice, too. The growth of bilateral agreements throughout the region seems to confirm such a possibility. Singapore, has been at the forefront of this trend, in which it is establishing a series of relations outside Asean, and even the region more generally, to hasten the process of trade liberalisation. While this may also cause Singapore some difficulties with some of its more recalcitrant neighbours, Singapore has the advantage of being unambiguously ‘of’ the region in a way that Australia is not. In other words, Singapore is embedded in a web of institutionalised relations that give a degree of continuity and resilience to its intra-regional relations that Australia simply does not have. When Australia pursues similar strategies it can look rather like making the best of a bad job, especially where the government appears to lack a long term vision about the role it wants to play in the region. The relative ineffectiveness of Australia’s own multilateral initiatives like APEC, which has been increasingly side-lined by the World Trade Organisation, and its absence from other regional fora, mean Australian policymakers must secure agreements where they can. The potential problems of this piecemeal and ad hoc approach are compounded by the fact that one of the principal bilateral relations that Australia has systematically attempted to consolidate under the Howard government has been with the United States.

The consolidation of closer economic – and, as we shall see, strategic – ties with the US leaves Australia vulnerable to the criticism that it is not and never can be a ‘genuine’ and committed member of the region, particularly the more narrowly defined East Asian variety. Whether it is an East Asian Economic Caucus or – what is effectively the same thing - the proposed Asean + 3 concept, those hostile to Australia in the region can claim that it remains more closely aligned to its traditional, culturally and politically sympathetic allies, than it does to its more geographically immediate neighbours. This is especially true when one of the possible attractions of creating a stronger East Asian organisation is precisely to make the region less vulnerable external forces and to the sorts of interventionism the US practised during the recent East Asian crisis.\(^9\) That the economic gains form a closer relationship with the US are likely to be marginal and acrimoniously - if at all - realised,\(^{10}\) is but one reason to suppose a strategy of trying to align more closely with the US is likely to fail. More importantly in the long run, the symbolism of Australia moving to identify more closely with an external power will do nothing to facilitate closer relations with the region, especially when part of this strategy involves strengthening the strategic dimension of that relationship.

**The Strategic Dimension of Australia’s Asia Relations**

If economic engagement with Asia has been the great potential opportunity that forced a major reorientation of Australian policy over the last couple of decades, the possible strategic threat posed by the region has been its dark flip-side. From Australia’s inception, the threat posed by ‘Asia’ has often been poorly understood. In the post World War 2 period, as Australia has gradually taken more responsibility for its own foreign policies, as it has developed national expertise in defence and international relations, and as it has developed a consequently greater capacity for independent judgement, a more sophisticated view of the region and Australia’s place in it has emerged. Despite this
greater understanding on the part of Australia’s policy-making elites, however, a number
enduring tensions continue to characterise security policy in particular.

During the 1980s and early 1990s, successive Labor governments made a determined
effort to deepen and institutionalise Australia’s relations with the region. The strategic
counterpart to the economically-oriented APEC initiative culminated in the establishment
of the Asean Regional Forum (ARF) in 1994 – a development Australia’s activist
regional diplomacy played a large part in realising. The rapid economic development of
both North and latterly Southeast Asia meant that not only was the region increasingly
important to Australia economically, but its very economic success also transformed the
strategic outlook. In the minds of Australia’s strategic planners, this evoked a new set of
possible threats as Southeast Asia suddenly acquired the ability to finance military
modernisation. The ARF offered the prospect of reducing uncertainty, increasing
transparency, and generally developing confidence building measures in an historically
volatile region.

A more contentious initiative undertaken by the former Labor government was its own
attempt to consolidate Australia’s security position through key bilateral relationships. In
this case the most significant bilateral security relationship was the security treaty
negotiated with Indonesia in 1995. In retrospect it is easy to see how this strategy was
fraught with potential difficulties. Not only was the inauguration of this agreement under
the Keating government conducted in a highly secret and non-transparent manner, but the
wisdom of linking Australia’s long-term future security to a close relationship with the
aging and authoritarian figure of former President Suharto was always questionable. Just
how unsustainable this strategy was became clear with the rapid decline in Australia-
Indonesia relations in the wake of the Timor crisis.

The management of the East Timor crisis and its aftermath has in many ways been the
defining foreign policy and security challenge for the present Howard government. The
history of the crisis and Australia’s military intervention has been detailed elsewhere and
will not be repeated here. However, it is important to say something about the dynamics
that underpinned it and the longer-term influence it has had on strategic thinking in
Australia more generally.

Timor and its aftermath

The first point to make about Australia’s role in the East Timor crisis is that the
intervention enjoyed widespread domestic support in Australia itself. Powerful emotional
and historical ties dating back to World War 2, and the continuing high profile
maintained by the Timorese diaspora in Australia and elsewhere, combined to give
Timor-related issues a surprising prominence within a public not noted for a deep interest
in foreign affairs. Any government would have been tempted to extract the maximum
political capital possible from such a fortuitous outcome. Not only did the Howard
government take full advantage of such an opportunity with a series of triumphalist
receptions for Australian troops involved in peace-keeping operations, but they used the
good will generated toward the Australian armed forces more generally to inaugurate a more wide ranging review of defence policy.

Given Australia’s natural strategic advantages and its apparent invulnerability to conventional attack, let alone invasion, national security has always occupied a surprisingly prominent place in the nation’s policy priorities. The level of spending in Australia declined somewhat in the post-Cold War period, but historically there has been general bilateral support for substantial defence expenditure. Under the Howard government, older patterns of defence spending are being resurrected. Significantly, defence has been the only area of public spending insulated from swingeing budget cuts. The longer term agenda of the Howard government has been to actually boost defence spending. In this context, sceptics have argued, the highly professional and successful Timor intervention offered away of securing public support for what at other times might have proved unpopular spending initiatives.

Australian governments have been understandably coy about identifying precisely where any potential threat might come from. However, Australia’s ‘most important long-term strategic objective’ - the defence of its ‘direct maritime approaches’ - inevitably centres primarily on threats that emanate from, or through, Southeast Asia. This has been the guiding rationale for Australian defence for a number of years. What distinguishes the approach of the Howard government is the renewed importance and high profile attached to the strategic alliance with the US. Although the recent defence review is careful to stress the importance of promoting stability in, and co-operation with, Southeast Asia, it is revealing that it is the alliance with the US that continues to receive the highest priority. Indeed, the report emphasises that the alliance enjoys ‘renewed vigour’, something it attributes to ‘the enduring shared values, interests and outlook’ that the two countries are perceived to enjoy.

In order to consolidate the alliance with the US, John Howard has suggested that Australia should, especially in the wake of the Timor crisis, play a much more active and high profile role in maintaining a regional security order centred on continuing American strategic hegemony. This has a number of implications. Most immediately, and in a manner reminiscent of the ‘forward defence’ policy that led to Australia’s involvement in wars in Korea and Vietnam, this means that Australia should be prepared to take a ‘proactive role’ and ‘attack hostile forces as far from our shores as possible’. In an even more explicit and controversial exposition of the new policy orientation, Howard suggested that Australia ought to be prepared to act as America’s ‘deputy sheriff’ in maintaining regional stability, and acting on behalf of the US where required. Although, Howard subsequently sought to clarify these remarks following sustained domestic criticism, the overall direction of government policy – which the decision to increase defence spending highlights - is one that continues to place greater emphasis on links with the US and less on those with Asia. The proposed increases in the defence budget at least become more comprehensible in this context; the US has actively encouraged Australia to boost spending, thus allowing it to play a role as the US’s key regional military ally.
Other consequences of this change of orientation away from Asia and toward the US are more immediately obvious, especially in the deterioration of Australia’s relationship with Indonesia. Australia’s role in East Timor may have been well received at home and provided a template for its envisaged role as the US’s key regional subordinate, but it damaged Australia’s formerly close relations with Indonesia. Although critics have drawn attention to the possibly self-serving nature of Australia’s close ties with the former Suharto government17 - a situation which allowed both countries to exploit the oil and gas reserves beneath the Timor Sea - nevertheless, the rapid deterioration of the bilateral relationship is a major blow for Australia’s immediate security position and has potentially negative implications for its wider relationship with the region. Not only will continuing instability in Indonesia pose a major security threat for Australia, but the rather insensitive way Australia has handled the fall-out from the Timor crisis has clearly upset many Indonesians and provided ammunition for Australia’s regional critics. Ironically, the new coolness in relations between Canberra and Jakarta means that one of Australia’s principal attractions as a regional ally as far as the US is concerned – its knowledge of, and links with Indonesia – has now been significantly diminished. While Australia has been at pains to distance itself from independence movements in Aceh and West Papua, President Wahid’s continuing refusal to visit Australia demonstrates just how far the relationship has deteriorated and how difficult it may prove to revive.

Difficult as the relationship with Indonesia may be, it is important to recognise that not all Australia’s neighbours have been unhappy with its actions. The pivotal strategic role that the United States continues to play as the lynchpin of a stable regional security position is recognised and welcomed by many in Southeast Asia in particular. In this context, Australia’s supportive role in this overarching strategic environment is often quietly welcomed. However, the new Bush administration’s determination to press ahead with a missile defence system threatens to overturn the existing relative stability, raise the prospect of a regional arms race, and lock Australia into a more controversial alliance framework.

**Implications and Prospects**

Perceptions of Asia have changed in Australia. Its relative significance has diminished in the minds of a number of key policymakers over the last few years as enthusiasm for, and doubts about the benefits of, the engagement project have emerged. In the wake of the recent East Asian economic crisis, there is a widely held perception that Southeast Asia is simply not as important - either economically or strategically – as it once was. The idea that East Asia in general and Southeast Asia in particular might have been on an inexorable, even ‘miraculous’ upward spiral has been punctured, with inevitable consequences for both the way the region itself is perceived, and the way other countries are viewed in relation to it. Significantly, one of the conclusions that the Howard government drew from the recent economic crisis was that Australia’s relative immunity was a vindication of successive Australian governments’ approach to economic management. Consequently – and with an all too familiar lack of sensitivity about the way this might be read in the economically devastated countries of the region – Howard declared that Australia was now the ‘strong man of Asia’.
While such remarks may have been primarily intended for domestic consumption, the very fact that they were offered at all betrays a revealing lack of awareness of, or sensitivity about the increasingly integrated nature of the international and domestic spheres. Given the Howard government’s primary concern with domestic issues, and the Prime Minister’s own relative lack of interest in foreign affairs, such outcomes are not entirely surprising. Where John Howard has taken an active interest in Australia’s external position, it has been to place renewed emphasis on Australia’s ‘traditional’ allies. The desire to maintain a close political relationship with Britain by maintaining an institutional link with the monarchy, and the emphasis given to reviving the US strategic alliance, are both in accord with Howard’s contention that Australia does not need to choose between its history and its geography. In other words, as far as the present coalition government under John Howard’s leadership is concerned, simply being geographically adjacent to Asia does not mean that Australia needs to either become part of it in some way, or repudiate relationships of longer standing.

At a time when the East Asian region is in the throes of profound and potentially far-reaching change, such an anachronistic and complacent attitude looks short-sighted. Australian political elites cannot assume that Asia will simply reproduce the ‘Western’ historical experience and inevitably or rapidly develop similar political and economic practices to those favoured by Australia or the US. Expecting that the burden of adjustment will fall exclusively on East Asia as the region comes to terms with a new international economic and political order is wishful thinking. The risk for Australia is that by not playing an active part in any emergent trans-regional institutional architecture, Australia inevitably becomes less able to influence the course of regional development. For all the claims about not having to choose between geography and history, Australia’s future will clearly be profoundly influenced by the region to which it is geographically adjacent. By not having a clearly defined strategy for encouraging closer relationships with its neighbours, one which allows it to play a more effective and influential role in regional affairs, Australia may be increasingly marginalised from a region upon which its long-term military and economic security depends.

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4 This strategy was first outlined in Commonwealth of Australia (1997) In the National Interest: Australia’s Foreign and Trade Policy, Commonwealth of Australia, (Canberra: AGPS).
6 For one of the more thoughtful and important contributions, see Fitzgerald, S. (1997) Is Australia an Asian Country? (St Leonard’s Allen & Unwin).
14 Defence 2000: 34.