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How independent can Australia's foreign policy be?

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ANTONY LEWIS, APR 26 2010

The independence of Australian's foreign policy will never be absolute, largely due to the complex and interdependent nature of modern society, such that the state may only maintain some control and 'relative independence' through measures such as collective action.[1] In particular, historical factors such as the 'Australian dilemma' have played a significant role in the evolution of Australian foreign policy and its 'relative independence' to date.[2] Furthermore, pioneers like Evatt have also played an instrumental role in leading Australia towards an 'independent' path in the South Pacific, backed by the United States.[3] Australia's enduring role as an activist middle power enables it to play a creative, active and independent role within multilateral fora[4], despite its close relationship with the United States. Finally, the state is not a completely helpless victim of globalization, but an active participant in the process, responsible for shaping and insulating the state to some extent against the forces of globalisation.[5] In summary, Australian foreign policy can only possibly become more independent through possibility thinking rather than being "weighed down by myths of past centuries"[6], including the taking of a more flexible, independent line in its bilateral relationship with the United States.[7]

The key elements of foreign policy were best encapsulated by prominent Australian IR practitioners, Gyngell and Wesley, as "that dimension of public policy that deals with the outside world".[8] This definition will be adopted for the purpose of this essay, subject to the following caveat: policy in this context refers to the overall sum of these separate dimensions, not the individual dimensions themselves.[9] In other words, foreign policy is about obtaining an overall perspective or bird's eye view of those activities in which the state is engaged internationally.[10] For example, the Australian defence policy (see 2009 Defence White Paper) focuses on strategic, long-term objectives as opposed to specific objectives in countries like Afghanistan or Iraq.

Independence in the context of foreign policy can only truly be understood through a comparison with the related concepts of sovereignty, autonomy, interdependence and integration.[11] First, the essence of sovereignty is legal independence, such that no higher body has the right to issue orders to a sovereign state.[12] This is in contrast to autonomy, defined by leading democratic theorist David Held, as "the state's actual capacity to act independently in the articulation and pursuit of domestic and international policy objectives".[13] In other words, sovereignty is theoretical, whilst autonomy is based on an actual capacity in practice[14], otherwise synonymous with absolute independence. Accordingly, independence (absolute), dependence and interdependence have been described as "forming a continuum in which interdependence may best be defined as mutual dependence",[15] otherwise known as sensibility interdependence.[16] In particular, interdependence is based on the complex, interconnected nature of modern society, whereby states are unable to effectively control transnational policy issues singlehandedly.[17] On the other hand, dependence focuses on unequal relationships, otherwise known as vulnerability interdependence.[18] Finally, integration specifically relates to the integration of markets, financial or otherwise, as there is a gradual shift from national to global markets, resulting in higher levels of interdependence.[19]

Australian foreign policy elites have been challenged since Federation by the 'Australian dilemma', the contradiction between Australia's history and geography. The essence of this dilemma is that Australia views itself as an Anglo-Saxon outpost situated in the middle of the Asia-Pacific region.[20] Consequently, policymakers have created specific myths in order to resolve these contradictions, best defined as those "stories where elements of truth are

Written by Antony Lewis

exaggerated to bind people to a common, simple, easily reproduced group identity".[21] In other words, national myths act as a 'form of shorthand' for a nation's strategic personality, thus assisting in the shaping and evolution of its foreign policy. In particular, two national myths have played a central role in the formation and evolution of Australian foreign policy traditions up until now: the 'isolated bastion of Western civilisation' myth; and the 'regional engagement' myth.[22]

The 'isolated bastion of Western civilisation' myth perceives Australia as sceptical of Asia and largely dependent on its great and powerful, culturally similar friends.[23] However, foreign policy elites during the Whitlam era were concerned about alleviating anxieties regarding Australia's dependence on the US and reinforcing its desire to engage with an economically prosperous Asian region.[24] Consequently, the 'regional engagement' myth was born, stressing the maturity of an independent, Australian nation which accepts "more completely its Asia-Pacific destiny" [25] and recognising the need for independent engagement in a monolithic Asian region. [26] However, the failure of multilateral institutions to provide effective solutions to the 1997 Asian financial crisis was crucial in unravelling this regional mythology. [27] Consequently, these extreme national myths are no longer entirely appropriate to modern Australia and act as an obstacle to "reasoned discussion about ... future foreign policy" [28]. Accordingly, Australia's alliance with the United States and its multilateral engagement in the region must be incorporated into a flexible, independent approach to the complex and rapidly changing nature of the region [29].

The Australian identity has often acted as a stumbling block to its foreign policy in the Asia-Pacific region, thus impeding regional engagement. In the words of Asian analyst Jayasuriya, "It is imperative that we make a more constructive and creative response [to] fashioning our 'Asian centredness', including the recognition that Australia's future lies not just in Asia but with Asia".[30] Furthermore, the Australian identity can no longer afford to be based on discriminatory concepts such as 'shared cultural values', but rather on an inclusionary definition of what it means to be an Australian.[31] Consequently, this modified approach will enable Australia to be taken more seriously as an integral and permanent part of the region, thus empowering it and enabling it to play a more independent, active role in the region itself.

Australia has been described as a 'middle power' in the international realm for over seventy years, although different interpretations of the concept have evolved over time, including those based on: geographic or strategic location, rank (in-between) in the hierarchy of states or particular style of diplomacy.[32] Australian Security Analyst Carl Ungerer argues that this middle power concept is of minimal use in describing a country's statecraft, as it merely describes its status or reputation rather than its actual power.[33] He then goes on to argue for the adoption of a traditional realist 'power capabilities' approach.[34] In my view, he demonstrates a misplaced view of Australia's real power in the international realm by focussing heavily on traditional concepts of power and interests. Australian political analyst Paul Kelly put it this way[35]:

Our diplomatic mission has been captured in the phrase that we are 'punching above our weight'. But it is not just a boast—it is engrained into our foreign policy culture and how Australia sees its role in the world. It implies that we possess an influence beyond our power.

The essence of middle power diplomacy relates to the ability of a middle power to provide creative leadership, despite its relative lack of authority in the international system.[36] As such, it is able to direct its limited resources towards constructing coalitions within mostly multilateral institutions. In other words, it is able to convince likeminded states to see its point of view on a limited number of objectives.[37] Finally, it is able to play this constructive role due to its relative weakness in the international system, as it is unlikely to be the biggest beneficiary of any adopted measures.[38] Consequently, Australia's role as a middle power enables it to play a creative, active and independent role in multilateral fora and maintain the relative independence of its foreign policy.

The United States (US) has played a key role as Australia's 'great and powerful friend' since the end of WW2,

Written by Antony Lewis

heavily influencing both its economic and strategic foreign policy.[39] The continued importance of this permanent relationship to Australian foreign policy was emphasized by Kevin Rudd in his first speech as Prime Minister, when he stated:

Our alliance with the United States is the first pillar of our foreign policy and the strategic bedrock of our foreign and security policy. The alliance – the relationship between Australia and the United States – transcends political parties and Administrations on both sides of the Pacific.[40]

The ANZUS treaty of 1951 is generally accepted as forming 'the backbone' of Australian strategic foreign policy. Specifically, it requires each side to 'consult' in the event of an armed attack and "meet the common danger in accordance with its constitutional processes".[41] However, the vague and flimsy nature of this wording provides limited guidance for its practical interpretation, thus demonstrating the insubstantial nature of the treaty provisions themselves. Regardless, this treaty is considered to be of critical strategic importance to Australia, largely due to the benefits received in return for its continuing support of the US, including access to shared intelligence and the latest military technology.[42] Interestingly enough, research conducted by the Defence Department in 2000, concludes that "Australia is essentially a secure country" and that "a direct attack on Australia is unlikely".[43] Accordingly, it would appear that its considerable investment in purchasing cutting-edge military equipment from the US is out of all proportion to the threat, as the equipment could only possibly be useful for fighting traditional, large-scale, conventional wars alongside the United States.[44] Furthermore, the failure of the US to offer substantial support to Australia in East Timor, demonstrates both the insignificant nature of the treaty and the reality that Australia has minimal influence on US strategic foreign policy.[45] Consequently, the 'backbone' of Australian strategic foreign policy must be reassessed in light of these developments, as it appears to offer limited 'real' benefits to Australia.

Australian foreign economic policy has been heavily influenced in the past by the United States, suggesting impressive trade flows between the two countries. However, the reality is that most Australian trade activity takes place within the East Asian region, largely due to its geographical location.[46] Prominent Australian Economist Garnaut stated back in 2001 that approximately 55 percent of Australian exports go to East Asia and only 10 percent to the United States.[47] However, the Australian government under Howard was still prepared to enter into a Free Trade Agreement with the US, despite the limited benefits available to Australia.[48] Further, Australia's close economic relationship with the US has often worked against its interests in the Asia-Pacific region, due to 'guilt by association'. For example, Australia was in danger of being considered as a regional outsider in Asia-Pacific during the Howard years, due to its 'dependent' relationship with the US.[49] Consequently, Australian foreign policymakers need to be prepared to adopt a more assertive, self-interested and independent approach to their economic and strategic interests.[50]

Globalisation is difficult to define, as it is often used to refer to a number of interrelated processes.[51] However, it has largely become synonymous in IR with complete erosion of the state structure[52]. In this view, globalisation is responsible for radically transforming the nature of 'political community'[53], thus marking an end to the state and foreign policy as we know it. On the other extreme, it is argued by some that globalisation has actually increased the size and power of the state, illustrated by the overall tendency for their budgets to increase in size.[54] These extreme views fail to recognize the interdependent and complementary nature of the 'global' and 'national' within globalisation.[55] Furthermore, these views implicitly rely on the construction of a 'mythical Keynesian-era state' after WW2, one in which states wielded "absolute autonomy and exclusive control" over their national economies.[56] The reality is entirely different, as states were only able to enjoy 'greater autonomy' after reaching agreement at Bretton Woods in 1945 on an international system of fixed exchange rates.[57] In other words, their 'national autonomy' was highly contingent on 'international cooperation', further demonstrating the interdependent and complementary nature of the global and national.[58] Finally, the state remains as a central actor in this global order, but is modified by globalisation, such that much government authority has shifted upwards to supranational authorities.[59] In this view, the responsibilities of the modern state have broadened and its control over internal outcomes has been somewhat

Written by Antony Lewis

weakened.[60]

The interdependent nature of the global economy was recently illustrated by the collapse of Lehman Brothers in the US in September 2008, resulting in the economic meltdown now known as the Global Financial Crisis (GFC).[61] Fifteen months later, considerable shockwaves from the GFC are still being felt around the world. However, Australia was not as dramatically affected as other nations, largely due to its domestically-focused banks and relatively high levels of regulation within the financial sector, as overseen by APRA (Australian Prudential Regulation Authority).[62] Accordingly, this demonstrates that the state is not merely a helpless victim of globalisation, but an active participant in the process, responsible for shaping and insulating the state to some extent against the forces of globalisation.[63] Nevertheless, global financial systems form part of a complex and interdependent modern society, such that global financial crises like the GFC can only possibly be fully addressed through international multilateral fora, like the Financial Stability Forum and the G-20.*[64]* Consequently, Australia must continue to play a creative and active 'middle power' leadership role in these types of discussions in order to preserve and increase the relative independence of its foreign policy.

The fundamental structure of the Australian economy has remained unchanged for over forty years, based largely on the export of raw materials and basic processed manufactured goods and import of technology and capital goods.[65] Recently, Australia has become increasingly dependent on its mining exports to China, as they increased from \$10 billion in 2003-4 to \$23 billion in 2006-7.[66] In other words, the Australian economy is extremely dependent on continued growth in Chinese demand, such that the independence of any future Australian foreign policy towards China will necessarily be somewhat constrained. Accordingly, greater diversification of the Australian economy is clearly needed in order to reduce its vulnerability and subsequent reliance on particular countries such as China,[67] so that Australian foreign policy can become even more independent.

The world's most important bilateral relationship is between China and the United States[68], jointly responsible for one-third of the world's economic output and sixty percent of global growth over the five year period from 2002-2007. Economics commentator Niall Ferguson famously coined the term 'Chimerica' to reflect the codependent, symbiotic nature of the relationship.[69] Unfortunately, this relationship has significant consequences for Australia, as it has strengthened its relationships with both of these great powers over recent decades. In particular, it has developed a stronger economic relationship with China and a stronger political-military relationship with the United States.[70] Accordingly, Australia will have a tough balancing act on its hands, as significant tensions exist in current Sino-American relationships, as demonstrated at the recent Copenhagen Climate Change Summit. Geoffrey Garrett from the Australian Strategic Policy Institute argues that the G20 group forum will "play a [key] role in fostering better Sino-American relations while furthering our strategic relationships with both countries".[71] In particular, Australia's strong reputation in this forum will enable it to make full use of its creative, middle power diplomacy in order to provide intellectual leadership and coalitions.[72] Consequently, this will enable it to creatively resolve disputes and avoid taking sides, thus furthering the independence of its foreign policy and reputation in the international realm.[73]

Written by Antony Lewis

In summary, Australian foreign policy is relatively independent, considering the complex and interdependent nature of the modern international system. However, it is becoming increasingly difficult for any state to insulate themselves against the effects of globalization in the future, despite the best of intentions. For example, globalisation has resulted in significant diffusion, such that civil society groups are better organised and informed, thus able to play a role in influencing Australian foreign policy and decreasing the relative independence of its foreign policy.[74] Notwithstanding, many steps can be taken to increase the independence of Australian foreign policy, such as greater regulation, economic diversification, playing a creative and active role in international forums and taking a more independent line to its bilateral relationship with the United States. However, it should be noted that economic and foreign policy matters are invariably linked, meaning that greater independence of Australian foreign policy could actually decrease the economic wellbeing of Australians at home. For example, imagine that Australian foreign policymakers decide to push China on its human rights record in respect of its freedom of religion. It is highly likely that China will react strongly and act against Australian trade interests. Accordingly, Australian foreign policymakers must determine their priorities and decide whether independence or economic wellbeing should be the 'gold standard' of foreign policy. In other words, 'What are the most important priorities of Australian foreign policy'? In conclusion. Australian foreign policy can only possibly become more independent through possibility thinking rather than being 'weighed down by myths of past centuries'. This will necessarily include the taking of a more flexible, independent line with the United States and recognizing that Australia's future lies with Asia, not just in Asia.

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