

WINNING A FUTURE FOR AUSTRALIA IN THE WORLD

Address by Senator Gareth Evans, Minister for Foreign Affairs, to The Economist Round-Table with the Government of Australia, Gala Dinner, Canberra, 23 March 1994

A country of seventeen and a half million people in a world of five and a half billion - and one living as far away as we do from what *The Economist* would no doubt regard as the centre of civilisation - should not get ideas above its station. You may have heard in the course of your travels, suggestions from time to time that we have overreached ourselves in external policy, grandstanding around the region and the world at large to little effect on a miscellany of issues having not very much to do with Australia's larger national interests. You might even, conceivably, have heard someone describe me as "hyperactive".

You will not be surprised to hear that I reject, absolutely, that kind of characterisation - at least of Australia's role, if not my own! - and not only when it comes, as it often does, from the kind of young fogies described on the front page of the *Australian Financial Review* this morning - wearing T-shirts with the face of Bronwyn Bishop on the front and the message "Up yours, leftie scum" on the back.

What we are about, and what we have been about for the last ten years, is winning a future for Australia in the world. That has demanded a massive effort, both in domestic and external policy, in changing the way in which we think about ourselves; changing the way in which we act; and changing others' perception of us. We have been about nothing more or less than the internationalising of Australia - translating our identity from an inward looking, Anglophonic and Anglophilic cultural misfit isolated by geography, to an outward looking, alert and active citizen of the world, and in particular of our own Asia Pacific region.

In domestic policy that has meant - as you have no doubt been hearing from my Ministerial colleagues - the creation of a competitive culture, and an export culture, in this country. It has meant, in addition to sound macro-economic management, the deregulation of our financial system; the corporatisation and then privatisation of our major government business enterprises; the transformation of our industrial relations system; massive micro-economic reform in transport and communications; and a sustained assault on tariff walls and residual protectionist sentiment: all of which has produced results of which you will be well aware in productivity improvement, restoration of business profitability and export growth, especially in more sophisticated manufactures and services.

In external policy, on which it is my job to concentrate, winning a future for Australia in the world has meant rethinking and refocusing both our political and our economic diplomacy around the theme of Australia as a middle power with a strong Asia Pacific orientation. So far from being ill-defined or ad hoc, Australian foreign and trade policy - as it has evolved now over a decade of Labor Governments - has been driven by a very clear sense of national interest; conducted with a wholly realistic appreciation of the scope and limits of our influence; and focused and realistically selective in character. I also think that it is fair to say - although this is ultimately for others like you to judge - that it has been effective in achieving results: building in the process, both in the region and the world at large, a very positive new image of Australia as a diplomatically active country, conducting a responsible external policy with imagination and energy.

Australia is a middle power. We are manifestly not a great or even major power; nor, however are we small or insignificant, rating as we do as the 12th or so biggest economy in the world (our precise place in the league table varies with the exchange rate!). The company of nations which tend to be described as middle powers is relatively limited - a dozen to twenty at most. There are no agreed criteria: it is a matter of balancing out GDP and population size, and perhaps military capacity and physical size as well, then taking into account the perceptions of others.

The characteristic method of middle power diplomacy is coalition building with like-minded countries. It also usually involves 'niche' diplomacy, which means concentrating resources in specific areas best able to generate

returns worth having, rather than trying to cover the field. By definition, middle powers are not powerful enough in most circumstances to impose their will, but they may be persuasive enough to have like-minded others see their point of view, and to act accordingly.

There have been a number of important such like-minded coalitions which we have built, or in which we have been particularly active, formed in recent times. For example, there is the Cairns Group of fair trading agricultural countries, with fourteen members drawn from five continents, whose role was very significant in fighting and concluding the Uruguay Round. There is the APEC (Asia Pacific Economic Cooperation) grouping, now embracing the 17 major economies of the Pacific Basin. And there was the Cambodian peace negotiation, a coalition building exercise which meant working from the outset with Indonesia and the other ASEANs, all five permanent members of the Security Council, Vietnam and the four Cambodian factions themselves.

For middle power diplomacy to be effective, a number of conditions have to be met. First, there has to be careful identification of where the opportunities lie for potentially effective action by middle powers. There is no prestige, or likely result, in enthusiastically pursuing ideas which are premature, over-ambitious, or for some other reason unlikely to generate any significant body of support. As ambitious as they were, APEC, the Cairns Group, the UN peace plan for Cambodia - and, to take two other examples, our Antarctic environment initiative, and our successful efforts to bring to fruition the Chemical Weapons Convention - were all examples of ideas whose time had clearly come.

Secondly, there has to be sufficient physical capacity to follow the issue through. This implies a certain minimum of physical resources, including a sufficiently wide network of diplomatic posts, which it may be difficult for any country smaller than a middle power to match. It also means that, for a middle power, there will be a limit to the number of major issues that can be simultaneously pursued: selective 'niche' diplomacy, while often good tactics, is also compelled by realistic necessity. In the Middle East peace process, for example, we have been active participants in two of the multilateral working groups, on arms control and water resources, because of our particular expertise and experience: but, because of limited resources and the need to prioritise them, we have resisted invitations to become more fully involved across the spectrum of current activity.

The capacity to follow an issue through also involves energy and stamina. Many good ideas, well capable of implementation, fall by the wayside in international affairs simply because institutions, or the individuals who constitute them, tire. One widely acknowledged reason for the impact made, for example, by Australia's UN peace plan for Cambodia was the sheer persistence with which, over a long period, the proposal was followed through at both official and ministerial level.

Thirdly, there has to be in most cases a degree of intellectual imagination and creativity applied to the issue - an ability to see a way through impasses and to lead, if not by force of authority, then at least by force of ideas. The application of physical resources to a problem without accompanying ideas is unlikely to result in anything more than the appearance of activity. Of course, creativity and imagination are not the prerogative of middle powers; nor should they be assumed to exist in the case of any particular middle power. The point is simply that what middle powers may lack in economic, political or military clout, they can often make up with quick and thoughtful diplomatic footwork. And resolution of just about any significant problem in international affairs - be it bilateral or multilateral in character - needs just that.

Finally, effective middle power diplomacy involves credibility on the part of the country in question. The mix of ingredients here will vary from case to case. Perceived independence from the influence of larger powers will often be one such ingredient. The maintenance of credibility is also crucially dependent on avoiding any charge of hypocrisy: any country which preaches abroad what it fails to practise at home cannot expect to be taken very seriously for very long. Thus Australia's domestic commitment to internationalising the economy has been crucial to our credibility in the Uruguay Round and APEC; similarly, a poor recent race relations performance here would have made it very difficult for us to be heard internationally on apartheid (in leading the charge, as we did, on sports and financial sanctions). Nor can double standards be applied abroad: Australia's human rights diplomacy, for example, depends very much for its credibility on both universality in the application of principles, and

consistency of approach as between different countries.

Middle powers, simply because they are of less than great or major power status, can occasionally do what great and major powers cannot. It is generally acknowledged that APEC would have had much more difficulty in getting off the ground if the United States or Japan had been its instigator: each side may have feared the worse of the other, and the smaller powers may well have felt that their own interests were at risk. Similarly, Australia's ability to talk comfortably to every country involved in the Cambodia dispute owed much to the fact that we were not carrying any great or major power baggage. We had no axes to grind, and no immediate interests to protect, other than a genuine desire to see a terrible, protracted conflict ended and regional stability improved accordingly.

I have referred to Australia's middle power diplomacy as having a strong Asia Pacific orientation, and that should have become evident already from a number of the examples I have been giving. There are a number of good reasons why we should be making so much these days of our relationships in our own part of the world, and why we should be saying, as we do so often, that we see our future as being more determined by our geography than by our history.

The first reason is simply the economic imperative. The Asia Pacific region as a whole already accounts for around 40 per cent of world trade and 50 per cent of its production, and East Asia (even with the recession in Japan) is by far the fastest growing part of the whole. We already send more than 60 per cent of our exports to the Asian countries to our north, and South East Asia recently displaced the whole of the EC as an Australian export market. Trade and investment opportunities - in sophisticated services and high value-added manufactures as well as traditional commodities - are enormous. It is not a matter of turning away from our traditional economic partners in Europe and North America: rather it is a matter of realising that, for the foreseeable future, the action overwhelmingly is going to be much closer to home.

Secondly, it is a matter of recognising that in the post-Cold War world, traditional alliance relationships are not going to have nearly the all-embracing significance they used to, and that in many ways we are going to have to guarantee our security future by diplomatic and defence strategies that are very much more of our own making. That implies a much more substantial effort than we made in the Cold War years to build comfortable and confident cooperative relationships throughout our region.

A third important development is the way in which 'transnational', 'good international citizenship' or 'third tier' issues - ie not primarily either about economic matters or traditional political diplomacy - have come to feature so largely in the international agenda. I refer to issues like cross-border environment problems, unregulated population flows, international terrorism, the narcotics trade and health problems like AIDS, which by their nature are beyond the capacity of any one country by itself to control. As common problems emerge, crying out for cooperative solutions, so too does the need to develop ever more close relations with one's neighbours.

The Asia Pacific region - if one defines it to include the whole of East Asia, Oceania and North America (and on some accounts the Pacific Coast of South America as well) - unquestionably is one of the most diverse in the world. It is all the more fascinating, then, that there should be emerging so rapidly would suggest a very real sense of Asia Pacific 'community'. It is very much in Australia's interests that such a sense of community should emerge, for this of course is a community of which - on any definition - we are unequivocally a part: not an outsider looking in, but an active, recognised partner.

There are now two particularly important manifestations of that sense of community. The most visible of them is the Asia Pacific Economic Cooperation (APEC) process, which we initiated in 1989. APEC is now accepted both within the region and around the world as the Asia Pacific region's pre-eminent economic forum. It not only embraces the 17 major economies of the region (18 when Chile comes in later this year), but builds a very firm institutional bridge across the Pacific in a way that operates as a very useful counterweight to some of the dangerous pressures for division between North America and East Asia, particularly between the United States and Japan.

We see APEC, in its present and future development, as involving essentially three bands, or streams, of activity. "Band 1", which has operated more or less from the outset in 1989, is OECD-style economic cooperation - in data compilation, policy dialogue and in the development of cooperative strategies in particular sectors like minerals and energy, transport and communications infrastructure and human resource development.

"Band 2" - which has only recently begun to gather real momentum following decisions at last year's Seattle Leaders' Conference and Ministerial meeting - involves trade facilitation: a series of strategies (which will need active negotiation and agreement if they are to produce results), designed to facilitate trade and investment flows, and reduce costs to business, in areas such as technical standards, mutual recognition of qualifications, customs harmonisation, phytosanitary and other non-tariff barriers, and investment guidelines.

"Band 3" activity, dialogue on which has barely begun, would involve actual trade liberalisation - in the traditional tariff reduction sense - on a "GATT plus" basis. It has been speculated that the ultimate outcome, some years hence, might be some kind of Pacific Free Trade Area, but there is an unresolved conceptual debate here as to whether such an FTA should be constructed on a strictly non-discriminatory "open regionalism" basis, or on a more familiar preferential model. I stress that thinking on this issue is still very much in its infancy, as it is on all the associated issues that arise about the role of bilateral free trade arrangements, and regional sub-arrangements like NAFTA, AFTA and CER and the relationship between them. But it is where APEC could well end up going if the present evolutionary momentum is maintained.

There is every reason to believe that APEC's momentum will be maintained, and the most significant development ensuring that is the commencement - under President Clinton's chairmanship at Seattle last year - of a series of regular APEC Leaders' meetings, the second of which will be held under President Soeharto's leadership in Jakarta later this year. This development was itself an Australian initiative, proposed by Prime Minister Keating as a way of injecting more political momentum - or 'horsepower', as he put it - into the organisation. The evidence to date is that he has succeeded admirably.

The other important context in which a sense of community has been emerging in our region is security. The Asia Pacific is at the moment not only the most prosperous region in the world, but - with the conspicuous exception of the current very tense situation on the Korean Peninsula - just about the most peaceful. Our task is to take advantage of this atmosphere - which can't necessarily be presumed to last - to make sure it stays that way. We have seen this as best accomplished by building new processes of dialogue and cooperation to embrace all the region's major security players, including all those countries traditionally hostile towards, or nervous about, each other.

Australia has played a significant role over the last few years in that process, although in a much lower profile way than for APEC. When I first floated, nearly four years ago, the possibility of the evolution in the Asia Pacific region of a new regional architecture to respond to new security realities of the post-Cold War world - modelled very loosely on the emerging Conference on Security and Cooperation in Europe (CSCE) - I met with a less than enthusiastic response from my US counterpart James Baker: why did we need any new multilateral approaches when our old bilateral alliance structures had served us so well for so long? But times have changed, in Washington and everywhere else. What seemed very radical propositions just three or four years ago have now become almost the regional orthodoxy. The most important development has undoubtedly been the creation of the new ASEAN Regional Forum on security issues, a forum that will meet for the first time this year in July in Bangkok and which will bring together not only the members of ASEAN and their traditional dialogue partners but also the other major regional security players, in particular Russia, China and Vietnam.

Some of the themes which we expect that Forum to be considering in the years ahead are the strengthening of preventive diplomacy processes; the establishment and strengthening of weapons non-proliferation regimes; and the development of a variety of trust building measures, including transparency in matters to do with arms acquisition, force structures and strategic assessments.

It is a logical corollary of Australia's status as a middle power that we should always have been strongly

committed, not only at the regional but the global level, to effective multilateral institutions - the GATT of course, and the new WTO it will become, and certainly the United Nations, the only fully empowered body with global membership that we have. Middle powers, and smaller ones as well, by definition may need to find comfort in collective responses and rule-based international systems - in a way that may not be so necessary for countries with the clout of major powers, great powers, or super powers.

In the post-Cold War world, with the removal of the ideological posturing and manoeuvring that so often vetoed Security Council action or made other international negotiations impossible, expectations of international institutions and processes delivering positive results have never been higher. To some extent those expectations have been realised: there have been major breakthroughs in nuclear arms control negotiations; the Chemical Weapons Convention has been signed; the UN has had some conspicuous peace keeping successes in Namibia and Cambodia; and the world did mobilise under UN auspices to repel the outrageous invasion by of Kuwait by Iraq, sending an important signal in the process to other would-be aggressors.

But at the same time there have been less happy results with UN operations in Angola, Somalia, the former Yugoslavia and elsewhere; and there is a continuing fragility about the world's support for its multilateral institutions, as evidenced for example by the continuing great difficulties the UN is having in getting paid by its member states.

We in Australia have been trying to think hard and constructively about this problem. We want to restore the credibility and effectiveness of the UN over the whole range of its functions, and particularly in its peace and security role. Self-help and bilateral alliances and regional arrangements can take any country - and especially middle powers - only part of the way. In the world of the 1990s and beyond, fluid and uncertain as it is going to be, we will need all the help we can get from the global collective security system the UN was intended to be.

Australia's contribution to the very lively international debate now going on about these issues is embodied in the book, *Cooperating for Peace*, which I wrote last year and launched a few months ago at the United Nations General Assembly. The book has tried to do three things - rather ambitiously, but then we are like that in Australia. First, we have tried to bring some conceptual clarity into the discussion of the UN's role, so that there is less chance of decision-makers, in the Security Council and elsewhere, talking past each other when they use terminology like "peace keeping", "peace making" and "peace enforcement", and more chance of them agreeing, quickly and decisively, what kind of international response is appropriate for different kinds of international security problem.

Secondly, we have tried to establish some common criteria for determining when, where, how, for how long, at what cost, and at whose cost, the UN should become involved in different kinds of peace operation. Had there been more clarity of thinking about some of these issues, there may have been less chance of the international community getting caught up in the kind of ad hocery and muddled incrementalism that has, for the most part unhappily, characterised its involvement in a number of present conflicts, including Somalia and the former Yugoslavia.

Thirdly, we have tried to focus sharply on necessary reform priorities for the UN itself, including restructuring its Secretariat; resolving its funding problems; improving its management of peace operations; and reshaping its priorities so as to place more emphasis on such areas as preventive diplomacy and peace building.

It is too early yet to say what effect this effort of ours will have but Australia's "Blue Book" - as it has become known - has been widely acknowledged as one of the first really serious and systematic attempts to bring all these issues together in a comprehensive and up-to-date way, and certainly the first such attempt to be made by a UN member Government.

Australia's national interests in pursuing security, pursuing prosperity and in being, and being seen to be, a good international citizen - do not conflict with those of our neighbours. We do not threaten anyone. We want to be seen internationally as a modern, innovative, socially and economically advanced, multicultural society which takes an

independent line in pursuing our own national interests, but is willing to work cooperatively with others in building a peaceful and prosperous region and a more humane and interdependent world.

From the vantage point of 1994, we in Australia think we can be reasonably confident that this is the prevailing perception of our international role. But no doubt you will tell me, with all the verve, wit and iconoclasm for which *The Economist* is justly famous, if you think I am wrong.