

AUSTRALIA'S ASIAN FUTURE

Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to launch the Institute for Contemporary Asian Studies, Monash University, 19 July 1990.

While it is always a little painful for someone who studied and taught at Melbourne University ever to concede anything to our Johnny-come-lately rival from the outer suburbs, I have to acknowledge that when it comes to Asian Studies, Monash University has for many years been unrivalled in this State, and probably - although not without some competitive claims from the ANU, Griffith and Murdoch - in the whole country.

Monash's Centre for South-East Asian Studies, now 26 years old, was the first of its kind in Australia, as was the program for Study in Japan, now over 20 years old; three other Asia-focused units have been established subsequently - the Asia Pacific Education Centre, the Development Studies Centre and the Japanese Studies Centre; more recently still, formal agreements have been concluded for collaboration and exchange with six universities in five Asian countries - Indonesia, the Philippines, Korea, Thailand and Cambodia.

And now we have, formally launched tonight but already under sail since 1988, the Institute of Contemporary Asian Studies - created to coordinate and develop the activities of over 80 staff already active here in Asia-related or Asia-relevant disciplines and studies in the Faculties of Arts, Education, Economics & Politics, Law, Medicine, Engineering and Science.

Quite apart from the Departments and Centres specifically devoted to Asian Studies, Asian components have, as I understand it, for some time been part of courses and programs elsewhere - in management, economics, the arts and the sciences. A central aim of the Institute is to widen that trend and introduce Asian content into mainstream subjects in all disciplines in all faculties, with the hope of giving all undergraduates, no matter what their field of study, an awareness of the value of Asian history and culture as well as contemporary research and practice.

Another central aim of the Institute has been to harness and channel the expertise available here at Monash and make it accessible in a systematic way to the wider community, through in particular the activities of the Centre for International Briefing. Now being established as an ICAS initiative with a \$1 million grant from the ANZ Bank, this is planned to become Australia's major centre for the briefing of business, government and development assistance personnel before they go to live and work, and trade and

invest, in Asian countries. I am pleased to say that my Department of Foreign Affairs and Trade, with its own strong tradition of public information activity and contact networks, will be participating actively in the Briefing Centre's programs.

The simultaneously cross-disciplinary, creative and practical character of the new Institute is very well reflected in its administrative leadership. The Director, Dr Margaret Kartomi, is Professor of Music at Monash: an Asian ethnomusicologist, specialising in the music of Sumatra, who has made Monash a centre for the study of Asian as well as Western music. The Executive Officer, Dr Joan Grant, is an historian, writer and editor, with a special interest in China: her Bicentennial children's book, *The Australopedia*, which won a Children's Book of the Year award, presents, as part of the image of Australia, our geographic, anthropological, historical and cultural links with Asia. And the Director of the Monash-ANZ Centre for International Briefing is a very experienced businessman and diplomat, Mr Ian Haig.

If Australia is ever to catch up with our geography, to accept all the consequences - political, economic and cultural - of living in the Asia Pacific Region, and to respond creatively to the opportunities opened up for us by our geography, then the kind of work being done here at Monash under the umbrella of the Institute, and the kind of creative new ways of coordinating and presenting that knowledge base to the wider community now being pursued by the Institute and its offshoots, will be not of merely marginal interest, relevance and utility to Australia's future, but vitally important to it.

I wish the Institute Contemporary Asian Studies a long and successful life, and have no doubt that, in the years ahead, it will amply live up to the promise that it has already so amply shown.

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For most of the 200 years since European settlement, Australia has fought against the reality of its own geography. We have thought of ourselves, and have been thought of by just about everyone else, as an Anglophonic and Anglophilic outpost - tied by history, language, culture, economics and emotion to Europe and North America.

That perception has of course been under assault for some time, not least from many members of this audience. A long series of developments, stretching back now for several decades, has been gradually changing the picture - things such as the Colombo Plan and all the development assistance programs which followed; the steady growth of substantial diplomatic relations and an Australian presence on the ground in both old and newly emerging Asian nations; the rapid rise of Japan to become, by 1970-71, our major trading partner; the overdue demise of the White Australia Policy; the unhappy entanglement with Vietnam; and the immense preoccupation in recent years, albeit sharply jolted by last

year's events, with building a political and economic relationship with China. All these developments, and others as well, have in their various ways contributed to what is now becoming rapidly accepted as conventional wisdom: viz. it is simply no longer an option for Australia to see itself first and foremost as a transplanted European nation, a cultural misfit trapped by geography. The "European outpost" model is simply untenable for Australia: few people can be heard to argue these days to the contrary, and none with any credibility. Our future lies, inevitably, in this diverse Asia Pacific region: this is where we live, must survive strategically and economically, and find a place and role if we are to develop our full potential as a nation.

But all that said, there is still a tendency in Australia to view Asia through the distorting lenses of old prejudices and fears, seeing it as a vaguely threatening encirclement and at the same time (and this is especially true unhappily, of our business community) underestimating its adaptability and economic dynamism. The old Asian stereotypes which live on in muted form - of intellectual conformity, political backwardness and external poverty - were always patronising, and masked the enormous diversity of the region; they are now dangerously misleading in not equipping us to deal with the reality of modern Asia.

Along with attachment to tradition, a frequently subdued style of interpersonal relations, and store placed on social forms, there is throughout Asia today an astute and clever promotion of interests, be they political, commercial or personal. We have a considerable way to go in learning how to respond to this reality. It is one thing to recognise that our future lies in this region; it is another to know how to manage that future in a way that best protects and promotes Australia's own national interests, in a regional environment that is not only culturally and economically diverse, but economically dynamic, clever and competitive, and politically and strategically fluid.

I would like to spend the remainder of this address taking stock with you, necessarily in a rather abbreviated way, of the current regional state of play in each of these three dimensions - political, economic and cultural - and sketching out the kind of role we should properly be playing in response.

The Political Environment

The last year has seen, as I hardly need to remind anyone, a dramatic transformation of the international political landscape. The international order crafted in the aftermath of the Second World War and sustained through the Cold War is drawing rapidly to an end. The ideological dispute between communism and capitalism has ceased to be the organising principle around which countries defined their positions and interests. The equations of power are changing as the roles and capabilities of the two superpowers change. The familiar bipolar shape of the post-War world is assuming an increasingly multipolar

character as the United States and the Soviet Union come to be joined by Japan, the European Community, China and India as powers of actual or potential global influence.

When we focus more closely on Asia, to see how this global shift has impacted, it is obviously the case that there has not been such a dramatic reversal of positions as has been the case in Europe. Areas of tension, of varying degrees of tautness, remain - for example, between China and Vietnam, India and Pakistan, the two Koreas, the Soviet Union and Japan, the Soviet Union and China, and, not least, in Cambodia. That list in itself indicates why change in Asia has not occurred at the same pace as in Europe: there is simply no one strategic division in Asia, as there has been in Europe between NATO and the Warsaw Pact, but rather a number of subregional divisions, each with its own particular sources of enmity and history of conflict.

Yet we would be misguided if we imagined that nothing in Asia has changed or will change - and being misguided can be dangerous for a country such as Australia whose future is so intimately involved with Asia. It is the case that change in Asia is often gradual, as if the region has different rhythms of history. One remembers in this respect Chou En-lai's famous response to an interviewer's question on what he thought of the French Revolution: it is still, said Chou, too early to tell.

But the recent meeting between Presidents Gorbachev and Roh Tae-U show that gradual trends can presage quite sharp adjustments. In this case, South Korea's effort over several years to build up links with communist countries had been developing incrementally in a way which provided the foundation for a sudden consolidation of these expanding contacts. The very much easier political atmosphere, and the associated potential for economic cooperation, that now exists between the Soviet Union and South Korea (although there is still some distance to go before all this is formalised and fully bedded down) shows that traditional alignments and strategic divisions in Asia can shift, and give rise to a new paradigm of relationships. The recent agreement to establish full diplomatic relations between China and Indonesia is another example showing that deeply ingrained animosities can be healed. And even as between Taiwan and the PRC, the current probing for direct contacts is also working to defuse a long-standing source of tension in the region.

In a discussion I had in Tokyo last month with the Japanese Foreign Minister, Mr Taro Nakayama, he suggested that just as 1989 had been the year of Europe, it might well be the case that this year proves to be the year of Asia. Certainly there have already been some surprising political developments in some of the countries of the region in addition to those I have already mentioned. In Myanmar, despite all the scepticism engendered by the indefensible pre-election restrictions, including the detention of opposition leaders, the national elections on 27 May, the first for 30 years, do appear to have been held in an orderly and open manner, and they did result in an overwhelming declared win for the opposition National League for Democracy. In Nepal, following popular assertion of frustration with authoritarian rule, the country is on the road to its first fully democratic

elections in 30 years. In Taiwan, political liberalisation and democratisation is continuing at a remarkably rapid rate. And even in Mongolia, the government's initial, cautious attempt to introduce perestroika failed to stem popular demonstrations and rapidly growing pressure for political and economic reform.

The other side of the coin in our region is that it cannot be assumed that the United States, which has been dominant in security affairs in the South-East Asia region for forty years, will continue to maintain its presence in this part of the world at current levels. Certainly the US will want to continue to protect its major strategic interests in maritime passage through the region, but the decline in East-West ideological competition, not to mention domestic moves to reap a "peace dividend" by significant trimming of the defence budget, mean that the focus of US attention in the region may well become, over time, increasingly less geopolitical in character, and more directly oriented to the country's immediate economic interests.

The point I want to make in all of this is not to predict any particular development, still less to ring any alarmist bells of any kind, but to suggest that a straight line projection of current circumstances and existing alignments will not equip us to handle the complex and increasingly fluid regional strategic environment, open as it is to change from a whole variety of sources. The security picture in Asia is generally favourable: the moves towards democracy I have mentioned are very encouraging, as are the moves toward healing some of the region's points of tension; and the world-wide retreat of ideological competition has significantly decreased the level of global tension and the prospect of superpower confrontation that goes with it. But there is no less uncertainty than there has ever been, and probably rather more, as to what the longer-term political - and by extension security - environment in the region will be.

In a major Statement to the Parliament last December on Australia's Regional Security, I sought to define in a systematic way Australia's policy response to these various currents impacting on security in our region - with our region being defined for this purpose as including South-East Asia in its broadest sense, the South Pacific and the eastern reaches of the Indian Ocean: this broadly coincides with the area described in the 1987 Defence White Paper as Australia's "region of primary strategic interest".

The essence of that Statement was the theme that the policy responses or instruments available to protect Australia's security are multidimensional. They go well beyond strictly military capabilities, essential though these are. They also embrace traditional diplomacy, politico-military capabilities (in the border zone between defence and diplomacy), economic and trade relations, and development assistance. And they extend to immigration, education and training, cultural relations, information activities and a number of other less obvious areas of government activity. The relative importance of each of this large variety of policy instruments will vary from situation to situation, but none exist in isolation and all should be regarded as mutually reinforcing contributions to

our security.

I would trespass too much on your patience, and my stamina, if I attempted to now cover all these aspects of our interaction with the region, although I will be returning in a few moments, in another context, to economic and trade relations and the group of activities which can best be described as "public diplomacy".

It is worth mentioning in the present context, however, two particular strands of our current regional political diplomacy which have had a very high profile in recent times both within Australia and the Asia Pacific region.

One is the effort we have been making to get our traditionally rather volatile relationship with Indonesia back on an even keel. We have been working away quietly and systematically to rebuild the foundations of that relationship and have established, over the last two or three years, habits of cooperation and dialogue which have stood us in very good stead, both in bilateral problem-solving - over issues like fishing boat incursions and the negotiation of the path-breaking Timor Gap Treaty - and in tackling regional issues like Cambodia and Asia Pacific Economic Cooperation.

Australia's peace efforts in Cambodia, culminating in the detailed plan for UN involvement which we first suggested last November and presented in fully worked-through form to the Informal Meeting on Cambodia held in Jakarta in February, have been a good example of the kind of impact that a diplomatic initiative can have in the region if it is imaginatively and sensitively crafted, and energetically and sensitively pursued. The extraordinary complexity and difficulty of the Cambodian problem, involving as it does not only the internal warring parties, but most of the countries of the region and the world's major powers as well, have made all of us wary of predicting when a durable, comprehensive settlement will finally be achieved. But it is fair to say that it is now more or less universally acknowledged that when that settlement does come about - and developments over the last two days have given us new hope that it will not be much further delayed - the foundations on which it will almost certainly be built, if it is to be both workable and durable, are those mapped in the Australian proposals.

The question arises as to what, if any, role - other than that of spectator - Australia might have in relation to some of the other difficult security problems that continue to exist in the larger Asian region, especially in the North Pacific, which problems certainly have the capacity to impact adversely upon us if they should ever lead to outright conflict.

While it is important, here as elsewhere, that we have a healthy appreciation of the limits of influence of a country of Australia's size, location and capacity, nor should we undervalue the utility of having our own ideas in the ring. I don't think that it is too early, in this respect, to be looking ahead to the kind of wholly new institutional processes that

might be capable of evolving, in Asia just as in Europe, as a framework for addressing and resolving security problems. In Europe, wildly implausible as this must have seemed even just a year ago, the central institutional framework for pursuing the new common security has become the Conference on Security and Cooperation in Europe (CSCE), which comprises all the countries of Europe including the NATO and Warsaw Pact ones (with the solitary exception of Albania). Why should there not be developed a similar institutional framework - a "CSCA" - for addressing the apparently intractable security issues which exist in Asia?

There are a number of negative responses which can quickly be given to that question: because Asia contains many different issues of contention and has many different "fronts", unlike Europe where there has been a single East-West conflict; because Asia is a diverse and non-homogeneous region, with little of the sense of common cultural identity and common diplomatic tradition of Europe; and so on. But for all that, it is not unreasonable to hope and expect that new Europe-style patterns of cooperation between old adversaries will find their echo in this part of the world, and that imaginative new approaches to confidence-building and problem-solving can be found.

It is too early to be trying to map in detail what might evolve: what matters for the moment is that the process of dialogue, both bilaterally and regionally, be assiduously pursued, and that efforts be constant to make all the individual strands of the web both denser and more resilient, so that sooner or later a base will emerge on which more systematic security cooperation can be built. And this process of constructive, thoughtful dialogue is one in which Australia is now amply equipped to participate.

The Economic Environment

If there is any single unifying element in the sprawling diversity of Asia, it is probably the pragmatic preoccupation with economic issues which now characterises almost every country in the region.

One simply cannot overstate the economic dynamism of the region, and both the challenge and the opportunity this presents for Australia. The economies of the Western Pacific rim have for several years now been amongst the fastest growing in the world, and the Pacific as a whole has already replaced the Atlantic as the centre of gravity of world production. Countries throughout the region have shown that with effective economic management, and particularly with outward-looking policies ready to adapt to change, solid rates of growth can be achieved. And the economic complementarities within the region have given rise to a high degree of interdependence: over the last decade, the proportion of their total trade that Asia Pacific economies conduct with each other has increased from 54 per cent to 65 per cent.

Rapid economic growth has been associated with structural shifts in the region and with a southward spread of industrialisation. The comparative advantage of countries has shifted enormously as they have developed, and the way has been opened for less developed countries to move into areas in which the more developed economies are no longer competitive.

Japan, for example, increasingly emphasises knowledge-intensive and research-intensive industries and services such as advanced electronics, robotics, biotechnology, and financial services. The so called NIEs - the newly industrialising economies of Korea, Hong Kong, Taiwan and Singapore - are in turn moving into new areas of trade and investment, including those formerly dominated by Japan. Korea, for example, has established its position in ship-building, automobiles and electronic products, and is now moving away from lower value-added technologies, where costs are reducing its competitiveness, to more advanced technologies. And the less industrialised countries of ASEAN are at the same time emerging as competitive suppliers of such products as textiles, clothing and electrical machinery, in addition to natural resources and resource-based manufactures. Growth rates in the South are now beginning to rival the furious growth rates of Northeast Asia - for example, Indonesia's annual growth rate of around 6 per cent, Malaysia's of around 8 per cent and Thailand's of around 11 per cent.

The significance of these developments has not entirely escaped us in Australia. We are already closely involved with Asia to the extent that over half our exports and over 40% of our imports are directed to or sourced from our regional neighbours, and indeed in absolute terms we are trading there more than we ever have. Again, roughly one quarter of all foreign investment in Australia comes from the Asian region, and although only one seventh of all Australian investment abroad is directed there.

But while there is some encouragement in these figures, the truth of the matter is that we can, and must, do more. With only one or two exceptions, we have been losing commodity market shares to other competitors in Asia. Australian investment in North America and the European Communities continue to run at much higher levels than in Asia and, with very few exceptions, manufacturers and service providers have simply not been as active in Asia as elsewhere in seeking out new markets.

Too many sectors of the Australian business community start from the assumption that Australia can never compete in Asia Pacific markets outside the narrow range of traditional commodity exports. Clearly Australia is not in a position to compete directly with the major economies of the US, Japan and Europe in the large volume product areas. Nor can we compete in areas where low cost unskilled labour is the key factor in determining competitiveness. But there are areas in which we are competitive and have the raw materials and endowment and the manufacturing and services skills which can strengthen the complementarities between the Australian economy and a number of our regional neighbours - not just Japan but also others like China, the NIEs and the ASEANs:

not least Indonesia on our immediate doorstep, with 180 million people, an established track record of efficiency in macroeconomic management, and a highly impressive recent record of microeconomic reform.

Australia is a world leader in low density, long distance digital communications systems. We have highly developed skills in biotechnology, agri-industries, agricultural and medical research, mining technology, minerals processing and a whole range of niche product areas. Many of these skills and technologies are ideally suited to markets in the Asia Pacific region, and are already the basis of a burgeoning international services industry. We can justify the label we have chosen for ourselves as the "clever country", but we are going to have to show a lot more cleverness than we have hitherto in translating capacity and potential into business performance in our own region.

While ultimately it is up to businessman, not governments, to do business, governments can obviously do a lot to clear the ground and set the ring within which business can operate more effectively. The Hawke Government has been very conscious of its responsibility to pursue trade policy issues bilaterally, regionally and internationally; we have, moreover, by our commissioning of reports such as Ross Garnaut's on Australia and the Northeast Asian Ascendancy, been consciously identifying opportunities and setting ambitious agendas for both the Government itself and the business community.

The most important regional economic initiative we have undertaken has been unquestionably the inauguration of the Asia Pacific Economic Cooperation (APEC) process. Two and a half decades of statesmanlike rhetoric from various quarters had led precisely nowhere until Prime Minister Hawke made a major speech in Seoul in January 1989 calling for the establishment of a regional economic forum and articulating its objectives; this was followed up with an intense round of diplomatic activity which culminated in the formal launch of the process at the meeting in Canberra last November attended by 26 senior Ministers from 12 countries.

APEC is an outward-looking process - not a protective regional trade bloc in the making. It aims rather to promote trade liberalisation, both regionally and globally. And it aims to strengthen the economic success of the region not only by projecting its interests in wider multilateral negotiations, but by developing proposals for practical cooperation, sector-by-sector, and by reducing impediments to growth in the region.

The first ministerial-level meeting last November established the principles and set the framework for cooperation. Since then, a great deal has been done to give that framework practical effect in seven specific work program areas. Next week, in Singapore, I will be attending the second APEC ministerial-level meeting, which everyone expects to consolidate the progress already made and to lay some further foundations for its expansion in the future. It will take some time for APEC to deliver tangible economic

returns, but I fully expect Australia's involvement - not least because of our role as a founding father of the process - to create a platform on which we will be able to build a diverse range of direct new commercial opportunities in the Asia Pacific for our business sector.

The Cultural Environment

It has been a recurring theme in what I have been saying tonight that if Australia is to fully realise the opportunities created by our geography to become a more influential player, politically and economically, in the region, and to reap the rewards for that in terms of enhanced security, trade and investment flows, then we have to approach Asia in a more self-consciously multidimensional way than we have in the past.

We have to recognise that diplomatic initiatives, defence policy, economic strategies, development assistance, immigration policy, cultural relations, information activities and human contacts generally, all inter-react with each other in the real world, and that if we want to ensure that Australia's overall interests are advanced, we have to work hard to ensure that they inter-react in a mutually reinforcing way - rather than rubbing against each other. This is the central theme, as I have already said, in my Parliamentary Statement on Australia's Regional Security, and it is also a central theme in Ross Garnaut's Report which, although focusing on Northeast Asia, has ready applicability in this respect to the rest of Asia as well.

Moreover, we have to not only get and keep our internal act together, but be perceived as having it together. If a country can generate a well-founded, positive image for itself as having ideas, capacity, vitality, a sense of direction, and its policy instruments harnessed and working together, then this can itself become a very important component of that country's ability to advance its national interests in the international arena. And the converse is true if it cannot.

I have for some time been concerned that while Australia has been very strongly focusing on traditional political and economic diplomacy, we have as a nation been devoting less resources than we should to what might be described as the third stream of diplomatic activity - "public diplomacy". This is essentially the business of shaping the attitudes towards us of decision-makers in other countries in a way that is favourable to our national interests. Public diplomacy is about persuasion, direct and indirect, on specific issues; it is about encouraging particular target groups in other countries - parliamentarians, students, media people and the like - to get to know and like us better; and it is about shaping a familiar, benign and constructive image of our country in community perceptions generally overseas.

There is no doubt that some of Australia's recent high profile initiatives in traditional

political and economic diplomacy - in particular in relation to Cambodia and APEC - have done a good deal to raise our standing in the eyes of key decisionmakers: a prominent South-East Asian diplomat captured what we know to be quite a widespread sentiment when he referred approvingly, in conversation with my Departmental Secretary recently, to "the fresh breeze blowing from the South". But it is equally the case that we still have some distance to go, particularly so far as perceptions of our internal situation are concerned.

Whether we deserve it or not, we are still seen in a number of Asian quarters as being of declining relative importance, tainted with racism, with an inefficient lagging economy and major industrial problems. The opinion polls summarised in the Garnaut Report show that Northeast Asian community perceptions of Australia have some disconcertingly large gaps. We impinge on that consciousness only through a collage of simple images: open spaces, exotic flora and fauna, an exporter of commodities, and a good place in which to relax. We are not seen, to anything like the extent we would like to be, as a dynamic economy, a country with intellectual and cultural achievements in our own right, or - importantly - as a natural partner in Asia's political development and economic growth.

As a Government we recognise the problem and are working to overcome it. Major bilateral councils have existed for some time with Japan and China, and have just been established with Indonesia, to foster cultural, educational and other non-government links. We have reasonably extensive in-country and Australia-based cultural programs, which have involved among other things in recent times support for such exports as the Australian Ballet to Thailand and Singapore, Roger Woodward to China, Graham Bell and his Allstars to Indonesia and the Philippines - not to mention Galapagos Duck to Vietnam and Laos! Other cultural programs have involved sports coaching clinics, touring Aboriginal art exhibitions and the subsidised placement of Australian TV programs. We support in a number of ways the study of Asian languages, give assistance to a number of tertiary Asian Studies programs, and sponsor a large number of visitor programs to Australia. The public affairs and information sections of my Department are being fundamentally reshaped, and I do believe that they are doing sound and effective work in network building and promotion generally.

Overall, we are now devoting worldwide to public diplomacy some \$6 million per annum - most of it in Asia, and most of it well-spent. But this is perhaps put in better perspective when one appreciates that Canada is spending, on similar activity, \$A27 million and the Netherlands \$A21 million - not to mention Britain with \$A215 million, the FRG with \$A621 million or the US with \$A1.3 billion devoted to the USIA alone.

The most recent initiative we have taken in this field is the establishment, soon to be formalised, of the Council for Australia Abroad. This will involve the heads, or their delegates, of some 20 departments, agencies and government councils meeting with a representative group from the private sector to coordinate and focus our efforts at raising

and burnishing Australia's profile overseas, especially in Asia. The extent to which the new Council will be able to embark on new areas of activity, rather than just targeting and focusing better the old ones, will depend on the kind of budgetary support, both public and private, we are able to generate. But I have no doubt the exercise will prove a worthwhile one, giving new impetus to that enterprise on which we must all be embarked: ie. the encouragement, as Ross Garnaut put it so elegantly, of both Australians and Asians to devote more attention to Asia and Australia "in each other's minds".

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It will be fairly apparent by now where I see the new Monash Institute for Contemporary Asian Studies fitting into Australia's Asian future. This Institute, and all the people associated with it and who will be exposed to its work, have a role that fits squarely into the multidimensional approach that must be involved in our developing relationship with our region.

It is all part of the business of building a network of connective tissue, binding together us and our neighbours in a regional partnership with a sense of real commonality of interest. By participating in this process we will not only be better able to shape in a very direct way an environment favourable to Australia's national interests, but we may, in attuning Australians to Asia, finally achieve a national reconciliation with our geography.