

MANAGING AUSTRALIA'S ASIAN FUTURE

The third Asia Lecture, delivered by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the Asia-Australia Institute, University of New South Wales, Sydney, 3 October 1991.

The great turn-around in contemporary Australian history is that the region from which we sought in the past to protect ourselves - whether by esoteric dictation tests for would-be immigrants, or tariffs, or alliances with the distant great and powerful - is now the region which offers Australia the most. It has come to be accepted now almost as a commonplace that our future lies in the 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 the task for Australia in fully realising its role as an Asia Pacific nation will not be a straightforward or easy one. The problem does not lie so much in the "Pacific" component of the description. We have thoroughly well-established working relationships with the United States, Canada and the Pacific Island countries, and are as well placed as any to develop such links with any of the Latin American nations of the Pacific rim who may in the future choose to reach out into the Asia Pacific region. Nobody inside or outside Australia feels any discomfort in describing us as a "Pacific" country.

But there is a degree of uncertainty whenever the question is posed as to whether, or to what extent, we are an "Asian" country. In practice we skirt the issue by linking the two components together: Australia being an "Asia Pacific" nation is easier to manage, conceptually and psychologically, than us being an "Asian" one. But the substance of the issue cannot be skirted. As policy makers we should be prepared to acknowledge that we do still encounter real risks of misunderstanding and non-acceptance in our relations with the Asian countries of our region. The management of those risks in a constructive and productive way - the management, in fact, of Australia's Asian future - is a central task of Australian foreign policy.

It is not surprising that there should still be some risk and uncertainty in our relations with Asia, given that for most of the two hundred years since European settlement, Australia has fought against the reality of its own geography. We thought of ourselves, and were 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. In Asian perceptions of us, we still carry some baggage from that past. Stereotyped images die hard, whether they be negative (a country with an immigration policy tainted with

racism; a one-dimensional economy; a lazy workforce; an ignorant and patronising approach to non-Europeans), or merely vacuous (a country to be appreciated for open spaces, exotic animals, tennis and surf, and not much more).

There are equivalent problems with Australian perceptions of Asia. There is still a tendency in some quarters to view Asia through the distorting lenses of old prejudices and fears, seeing a vaguely threatening encirclement, and underestimating the region's adaptability and economic dynamism. The old Asian stereotypes which live on in muted form - of intellectual conformity, political backwardness and economic poverty - were always patronising, and masked the enormous diversity of the region. To the extent that they have any continuing life, they are now dangerously misleading in not equipping us to deal with the reality of modern Asia.

It is, of course, the case that all the perceptions I have mentioned have been under assault for some time. A long series of developments, stretching back now for several decades, has been gradually changing the picture. They include the Colombo Plan and all the development assistance programs that followed; the steady growth of substantial diplomatic relations in both old and newly emerging Asian nations; the rapid rise of Japan to become our major trading partner; the overdue demise of the White Australia policy; the learning of some unhappy lessons from our entanglement with Vietnam; the building from the early 1970s of a new political and economic relationship with China; the rebuilding from the late 1980s of our relationship with Indonesia; and, most recently, the obvious visibility and perceived success to date of our initiatives in Cambodia and with APEC. All these developments, and many others as well, have contributed to making us both more comfortable and more accepted in our relationships with Asian countries. We are these days much less likely than we were to see ourselves, or have others see us, as nothing much more than an awkwardly transplanted piece of Europe.

But while there is much less argument than there once might have been about Australia's future lying in this region, we still have to manage that future so as best to protect and promote Australia's own national interests in an environment that is not only culturally and economically diverse, but economically dynamic, clever and competitive, and politically and strategically fluid. This evening I want to examine the strategies we should be adopting in this respect in each of the major dimensions of our relationships with Asia - political, economic and cultural.

There are some general points that need to be made at the outset. The first is that talk of Australia's Asian future should not be taken to mean that Australia's relationships elsewhere are unimportant. Manifestly they are and will continue to be, and not just because of our Western alliance relationships or because the European Community is our second biggest trading partner and the United States our third. Australia has, for instance, an increasingly well-established status in international affairs as a middle power that can, through effective coalition building and niche diplomacy strategies, play a significant role

in a number of specific areas - for example, chemical weapons arms control, trade policy, the Antarctic environment and the struggle against apartheid. This is not the occasion to spell out how all the various elements in Australian foreign policy come together - it would take a book to do that! But it is appropriate to make the point that, in the conduct of our foreign policy, it is perfectly possible - if I may modify LBJ's immortal phrase - to walk and chew gum at the same time.

The second general point to be made is that while it is convenient for the purpose of discussion and analysis to compartmentalise the different aspects of our relations with Asia - into "political", "economic", "cultural" dimensions and the like - in practice we should be doing our best to establish resonances between them. 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 in terms of enhanced security, trade and investment flows - then we have to approach Asia in a more deliberately multi-dimensional 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. And if we want to ensure that Australia's overall interests are advanced, we have to work hard to have them inter-react in a mutually reinforcing way - rather than rub against each other.

The remaining general point I would make at the outset is that in approaching the management of our Asian future we should not over-estimate the difficulty of the task. The diversity of the Asian region is part of its challenge, but it also makes it potentially more accessible to any other outsider prepared to make the appropriate effort. As your Director, Stephen Fitzgerald, has pointed out, in the whole sweep of countries from Japan to Afghanistan there was, before the Europeans, no word for "Asia", and no "Asian" consciousness - perhaps not surprisingly given the presence of six or more important and distinct cultural traditions, dozens of significant cultures of lesser influence, and a multitude of living languages.

That diversity means that, while we in Australia are manifestly not an Asian people, we are culturally and demographically more or less equidistant from all its elements. As such we are well equipped to deal bilaterally with them all, as well as to engage in some region-wide bridge building. Moreover, as the region itself becomes more economically focused - or, to pick up former Thai Prime Minister Chatichai's phrase, as the battlefields of yesterday turn into the marketplaces of today and tomorrow - questions of cultural and social identity become less dominant. As the region itself changes, Australia's distinctiveness is less striking. So we no longer need be the odd man out in Asia - even if we are destined to remain the oddest man in.

The Political Dimension

While not quite as stunning as the events in Europe, the pace of political change in Asia over the last two years has been on any view remarkable. Internally, democratic principles have been reasserted in Bangladesh and Nepal, taken new root in Mongolia, made significant strides forward in South Korea, Taiwan and Hong Kong, and have been consolidated - after the trauma of Rajiv Gandhi's assassination - in India. The thwarted hopes of change in Burma, the military coup in Thailand, and the continuing political repression of the now anachronistic communist regimes in China, North Korea and Vietnam remain the only real negative elements in what has been a generally very positive environment.

Internationally, the Soviet Union (and, just as importantly these days, the Russian Republic as well) has buried the hatchet with South Korea and begun to do the same with Japan; South and North Korea are proceeding cautiously with political dialogue and have both joined the United Nations; China has mended its fences with Indonesia, and - even more dramatically and significantly - with Vietnam; and all the political dynamics of the region have at last come together to make possible the resolution of the tragically long-running conflict in Cambodia, with the comprehensive settlement agreement now scheduled to be signed in Paris on 23 October.

Nonetheless, tensions and trouble spots, actual and potential, do still abound - including between India and Pakistan over Kashmir, within Sri Lanka, on the Korean Peninsula, and in the South China Sea (with six nations of competing territorial claims over various parts of the Spratly and Paracel Islands). The decision of the Philippines' Senate to reject the continued United States occupancy of the Subic Bay Naval Base has, although not necessarily writing the final chapter in this matter, manifestly weakened an important link in the chain of US bilateral alliances which have been for a generation an important stabilising factor in the western Pacific region.

To the extent that there is any clear pattern emerging in the overall shape of security developments in the region, it has three elements. First, there will undoubtedly be some continuing diminution in the presence and level of activity of the two nuclear superpowers. (So long as the Soviet Union continues to possess some 30,000 nuclear warheads - as compared with 20,000 for the United States and not much more than 1000 for everyone else combined - it continues to justify that description.) This is not of course to say that the United States and the Soviet Union will not continue to have a formidable role in the region, especially in the case of the US, which has made clear its intention to stay fully engaged in the western Pacific. But policy-makers in the region will have to make judgments on the basis that the United States may not be the all-pervasive stabilising influence in the region it has been for so long.

Secondly, and this is partly a corollary of the first point, there will be a greater capacity for influence, both absolutely and relatively, by the region's other major powers - Japan,

China and (subject to the way in which it masters its current economic troubles) India. And thirdly, the dramatic economic growth that has been experienced by a number of other countries in Asia has enabled them to devote substantial resources to the modernisation and upgrading of their own defence forces: they are likely to seek, and will be in a better position to exercise, a degree of influence in political and strategic matters commensurate with the rapid pace of their economic development.

President Bush's epochal announcement on 27 September of a new United States nuclear policy will have far-reaching implications in the Asia Pacific as elsewhere, but not change any of these fundamentals.

Our assessment is that around 20,000 nuclear warheads could be put out of action as a result of the Bush initiative (if one adds together the land and sea-based tactical nuclear warheads that will be unilaterally decommissioned by the United States, the Soviet tactical nuclear warheads that will be destroyed if the Soviet Union follows suit as invited, the START-treaty strategic warheads that will be deactivated on an accelerated basis by the United States unilaterally and by the Soviet Union if it follows suit, and the further number of strategic nuclear warheads that would be deactivated if President Bush's proposal to negotiate the de-MIRVING of all ICBMs is accepted). But all this would still leave some 30,000 warheads in existence, making it a little premature to suggest that we are witnessing even the beginning of the end of the era of nuclear weapons.

Nonetheless it is obviously the case that these measures - and others that President Bush announced, including the standing down of strategic bombers from alert status and the cancellation of a number of new nuclear weapons programs - will contribute enormously to easing the tensions and risks associated with these weapons, will give a very positive boost to the US image internationally (not least in the Philippines, where this may be helpful on the Subic issue), and hopefully create a whole new nuclear disarmament momentum that will result over time in even more far-reaching reductions involving all the nuclear powers.

The most immediately significant measures in the Bush Statement from a regional security viewpoint were the decisions to disarm and destroy all land-based tactical nuclear weapons, and to withdraw (though not in all cases to destroy) tactical nuclear weapons from surface ships, attack submarines and naval aircraft. The land-based measures should be particularly helpful in further easing tensions on the Korean Peninsular, particularly if North Korea responds by promptly fulfilling its overdue obligation to sign and implement its Nuclear Safeguards Agreement with the International Atomic Energy Agency.

The naval measures constitute an extremely important exercise in confidence-building arms control, and one that has long been thought appropriate by a number of countries in our region. When fully implemented this will obviously put into storage the

"NCND" (Neither Confirm Nor Deny) policy - at least until such time as some future crisis leads to a redeployment of some of the weapons in question. This in turn will make it easier for those countries - not least New Zealand - who have had difficulties in accepting the presence of potentially nuclear armed ships in their waters and ports, to rethink their relevant policies and to approach their relationships with the nuclear powers in a more relaxed way.

Taking into account all these various developments one has to say that the security outlook for the Asia Pacific region is generally favourable. The Cold War is over and we are beginning to reap some dividends not only in a reduction of global tension but in nuclear disarmament and arms control; there have been important moves towards healing some of the region's most long-standing points of conflict; and there have been heartening internal political developments in many countries. But there is a sense that the region is in a phase of transition, moving out of a familiar security framework to a new dispensation whose contours have yet to be drawn.

Although there is no comparable threat discernible anywhere in this region at the moment, the Gulf War showed that naked aggression and explosive regional confrontations are not, unhappily, things of the past. The revitalisation of collective security processes under the United Nations was, by contrast, a very positive result of the Gulf crisis - but it cannot be assumed that this response will always be so readily capable of mobilisation. In the Asia Pacific environment, where there are a number of powers of considerable relative economic and military strength, and where the stability - tense stability though it may have been - engendered by superpower presence and competition can no longer be assured, there is as much uncertainty as there has ever been about what the longer-term future will be.

In crafting Australia's policy response to all these developments occurring within the region or impacting upon it, the beginning of wisdom is to appreciate that the security and strategic environment in Asia has always been much more fluid and complex than that in Europe, and will certainly remain so. Rather than a single, overriding East-West division, with a single frontier to match, there has always been multiple frontiers and multiple divisions in Asia - multiple sub-regions, each with their own particular sources of enmity and history of conflict. All that means (as I have always acknowledged - although sometimes this has been lost in the political static) that no simplistic attempt to transfer European models to the Asian environment is likely to make much sense.

But we can certainly learn from the European experience in terms of the general approach and habits of mind we bring to security issues. There is now a total appreciation in Europe that security is much better guaranteed not in an upwards spiral of arms development, fuelled by mutual suspicion, but in a commitment to joint survival, to taking into account the legitimate security anxieties of others, to building step-by-step military confidence between nations, and to working to maximise the degree of interdependence between

nations - in short, to achieving security with others, not against them. So too is it now appreciated - as Prime Minister Bob Hawke put it succinctly in the first Asia Lecture here - that "instead of seeking security from Asia, we should seek security in and with Asia".

There are two basic ways in which we have been doing this: putting our own policy house in order, and making some suggestions to the region at large as to how a more secure total environment might evolve. In terms of Australia's own policy, the basic elements of our approach were spelt out in detail in my Parliamentary Statement, Australia's Regional Security in December 1989, as well as in the Prime Minister's Lecture in May this year. The essence of the Parliamentary Statement, which I will not seek to summarise in any detail, 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 (of the kind that we deployed to very positive effect in Cambodia), politico-military capabilities (in the border zone between defence and diplomacy), economic and trade relations, and development assistance. And they extend to immigration 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 exists in isolation and all should be regarded as mutually reinforcing contributions to our security.

The essential point is that, instead of seeing the region essentially in military terms and acting accordingly, as Australia did for so many years - looking out nervously, behaving defensively and turning anxiously to Britain and the United States for reinforcement - the only possible and sensible course for Australia to take is to engage with our region in the most direct and comprehensive possible way. We have to go on utilising all the dimensions of our external policy - as we have been in recent years - to shape a welcoming regional environment.

In terms of what we have had to say to the region as a whole - utilising such forums as the annual ASEAN post-Ministerial Conference - our emphasis has simply been on the need for a substantial regional dialogue on security issues, involving a combination of multilateral and bilateral forums. Dialogue is both process and outcome, facilitating progress and at the same time cementing it. Dialogue partners can exchange views on threat perceptions, for example, and in doing so arrive at shared assessments which, optimally, reduce their sensed insecurity and check any trend to competitive arms acquisition. Dialogue in this way builds general confidence.

We have also argued - and other countries have been picking up these themes with increasing interest in recent months - that part of the subject matter of a new regional security dialogue should be the possibility of specific new confidence building measures. Confidence building measures are basically arrangements designed to produce a sense of assurance and a belief in the trustworthiness of states and actions they undertake: they aim to reduce or eliminate mutual misunderstandings, suspicions and fears by making security

needs and military intentions explicit, by creating processes to defuse situations at an early stage, and generally to create a greater degree of interdependence and mutual confidence in the conduct of nations' affairs. At the ASEAN PMC in July this year I offered a list of half a dozen such measures which might usefully be the subject of further detailed discussion in the series of conferences, seminars and consultations that are now beginning to occur.

What is most fascinating in all of this is that suggestions that were not much more than a year ago perceived as radical, and even in some quarters as having the potential to undermine security to the extent that they cut across familiar bipolar ways of thinking, are now more likely to be regarded as boringly commonplace. It has come to be fully accepted that what I and others have been talking about is not some dramatic overturning of existing security arrangements in the region - in particular the existing series of bilateral alliance relationships with the United States in the western Pacific, with Japan and Australia as the northern and southern anchors respectively - but rather the supplementation of those relationships with additional layers and strands of co-operation, mutual assistance and ultimately mutual dependence. It is not a matter of cutting holes in any existing security net, but rather strengthening existing trends, weaving in additional threads and extending the net's coverage.

I do not want to exaggerate, here or anywhere else, the role and influence that Australia has in the region on issues of this kind. It would be fair, however, to say that our voice was not unimportant in getting this whole debate started. And on all the available evidence, the contribution we continue to make, as that debate takes what is certain to be a quite lengthy and complex course, will not be an unwelcome one.

The Economic Dimension

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. By the late 1980s the world had become well aware of what those in the region itself had long been conscious: that the Asia Pacific in general, and the western Pacific rim in particular, was the fastest growing, most innovative and adaptable region in the world. The major economies there were recording an average annual GDP growth of about 7 per cent, and an export growth of 14.5 per cent. In less than three decades production in North-East Asia alone had expanded from something less than one-quarter of that of North America's to one-quarter of that of the world. The Pacific, no longer the Atlantic, was the centre of gravity in world production. These achievements reflected several factors: relative political stability, hard-

working and increasingly well-educated work forces, high rates of savings and investment, sound economic management, and a crucial willingness to undertake rapid structural change.

The successful economies have also displayed great skill in taking advantage of the relatively open post-War international economic order - and the huge demand generated by United States consumerism in the 1970s and early 1980s - by pursuing export-oriented industrial strategies. The result has been a region whose trading instincts are outward-looking, and which is probably the most committed of all regions to trade liberalisation. The economies of the region have also become increasingly linked. As a process of 'shifting complementarities' works its way through the region, the pattern of regional trade and investment, the direction of technology flows, and inter-linkages in sectors such as tourism, have all combined to produce a regional economic map criss-crossed with the ties of interdependence.

The task for Australia is to lock ourself into this regional economic dynamism to the maximum degree possible. To some extent we have already done so: 35 per cent of our total trade is now with North East Asia, and 8.7 per cent, with South East Asia (although the numbers are much smaller for South Asia - just 1.3 per cent, and for Indo-China - only 0.1 per cent). Trade figures for 1990-91 released last month show that trade with the six ASEAN countries jumped 23 per cent - from \$8 billion to \$9.8 billion in that year, as compared with just \$3.75 billion five years ago, with exports in particular trebling over that time. The countries of North East and South East Asia between them buy 55 per cent of Australia's exports, as compared with 49 per cent five years ago.

Welcome as these figures and trends are, there is a good deal more that can be done. Australian investment in North America and the European Community continues to run at very much higher levels than in Asia, and with not many exceptions, manufacturers have not been as active in Asia as elsewhere in seeking out new markets. The reorientation of the geographic focus of Austrade will help in this respect, as will Australian government programs designed to give guidance and assistance especially to small and medium size businesses. The market access negotiations being conducted in the context of the Uruguay Round, and the bundle of bilateral trade policy issues that ministers and officials persistently hammer away at, also hold out some prospect of lowering or removing various barriers to entry.

Again, political developments in Indo-China, and the role that Australia has played in them, have created a ground swell of goodwill on which it should be possible for Australian business to ride: there are certainly major opportunities emerging in Vietnam, with its 65 million people and rapidly developing economic (if not yet political) liberalisation policies. Indonesia - on our immediate doorstep, with 180 million people, an established track record of efficiency in macro-economic management, a highly impressive recent record of micro-economic reform, and currently very friendly relations

indeed with Australia - is an even more obvious market for Australian business to be getting excited about.

All these factors apart, the policy pressure that the Government has been placing on Australian industry to force it to become more internationally competitive, and the sweeping changes now occurring under the Government's micro-economic reform program, will be the foundations on which a major surge of Australian business activity in Asia will be based. It was not charity or altruism that prompted Japan and then Korea to buy our raw materials on the scale they have; it was our efficiency as a producer. And it will only be on the basis of our competitive efficiency that we will be able to expand our exports of simply and elaborately transformed manufactures and services, and to generate foreign investment here in higher technology industries.

There should be no reason for pessimism about Australia's capacity to respond to these various stimuli. Australia, for example, 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 little more cleverness - and tenacity - than we have hitherto in translating capacity and potential into maximum business performance in our own region.

While ultimately it is up to business people, 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 been, moreover, by our commissioning of reports such as Ross Garnaut's 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 in November 1989 attended by 26 senior Ministers from 12 countries.

A follow-up ministerial-level meeting was held in Singapore last year, and a third is

scheduled for Seoul next month. At the Seoul Meeting, it is expected that we will see the admission to participation in APEC of the three Chinese economies of PRC, Taiwan and Hong Kong. There will be discussion there of progress reports from ten working groups - established to look at data collection and exchange, trade and investment promotion, and various kinds of sectoral cooperation strategies. It is also expected that some attention will be paid to the question of giving APEC a more formal institutional structure.

Contrary to fears expressed in a number of quarters at the time and subsequently, APEC was not established as a trade bloc, with an express or implied objective to build protective walls around itself and to wage aggressive economic war against everybody else. It was designed to give strong regional support to international trade liberalisation, but not to be a regional competitor to an American bloc and a European bloc. As various commentators have been quick to point out, while regional arrangements of one kind or another can be GATT consistent, trade creating rather than trade diverting, and while the EC and North American Free Trade arrangements may fall into this category, any tripolar division of the global economy - around yen, dollar or DM blocs - does have the potential to lead to new restrictions on trade to the great disadvantage of everyone.

The deliberate effort made in the inauguration of APEC to straddle the Pacific and engage the United States and Canada in the process is simple proof of the desire to avoid just that outcome. And that spirit continues to be evident in the very great caution with which the Malaysian concept of an East Asia Economic Grouping has been greeted - at least in the original form of that proposal, which was something very closely resembling an Asian regional bloc designed to do battle with the giants of Europe and the United States.

All the regional economies involved in APEC remain extremely committed to the principle - echoed in every statement made since the process began - that the future of all of us is served by the continued opening-up of the international trading economy, not by retreats to bilateralism and the lures and temptations of so-called 'managed' trade. This is not to say that APEC's only role in trade matters is as a cheer squad for the Uruguay Round - although the group has played that role, and with the Round languishing as it has been, it needs all the political support it can get. Australia has been particularly keen to press the notion that there are many ways in which the Asia Pacific region can lead by example in trade policy, and that there is scope for developing a strategy of non-discriminatory regional trade liberalisation which will do just that.

This is something which has only begun to be systematically considered by governments, and it is too early yet to sketch out what form this strategy might eventually take. One starting point might be to identify one or more sectors where a high proportion of the region's trade is sourced from the region itself, and where gains for regional economies could accordingly be quite significant. A crucial element of any such region-based move would of course be that it be non-discriminatory as against the rest of the world, creating the potential to benefit countries outside the region as well.

Leading by example has its risks as well as its rewards, and no doubt a central element in any such strategy would be to develop means of negotiating reciprocal concessions from others in return for the marketing opening involved in non-discriminatory liberalisation within our own region. I certainly do not underestimate the difficulty and complexity of the issues involved in translating these broadly stated aspirations into workable policies. But the important thing is that these issues are now being addressed and that APEC is the process through which this is happening. From Australia's point of view it is also gratifying, and helpful in the development of our longer term role in the region, that we continue to be recognised and applauded as the founder of the process.

The Cultural Dimension

If Australia is to engage more comprehensively with Asia in the years ahead then perhaps the greatest need of all is for Asians and Australians to get closer, as Ross Garnaut elegantly put it, "in each other's minds". Garnaut recommended in his report a number of ways of moving that objective forward, including the creation of an Australia Abroad Council to bring together the departments, agencies, government business enterprises and key private sector bodies involved in projecting Australia overseas. The idea was to coordinate and more sharply focus our "public diplomacy" - ie cultural and information - activities, and to more systematically attack some of the stereotyped images of the kind about which I spoke at the outset. We have now established such a Council - comprising the heads of some 22 organisations ranging from the Australian Opera to Qantas, from Radio Australia to Austrade - and already a better harnessing of often disparate activities is occurring, eg in the context of the planned Australia Week in South Korea next year.

A further encouraging institutional development, which I am sure will bear great fruit in the years ahead, is of course the creation of this Asia-Australia Institute, here at the University of New South Wales, with its imaginative charter designed among other things to generate a more closely informed understanding by Australians of Asia, and by Asians of Australia.

In getting Asians to better appreciate the extent and quality of our commitment to the region, there are plenty of positives on which to build. For a start, Australia has, to put it objectively, a more open and tolerant society than any in Asia. That is clearly reflected in immigration policy, where the White Australia policy has been dead for more than two decades; where between a third and a half of our annual migrant intake (amounting to 40,000-50,000 people each year) has since the late 1970s been Asian; and where our per capita absorption of Indo-Chinese refugees, in particular, has been higher than that of any other country in the world. There are presently well over 600,000 people of Asian descent living in Australia; this represents about 3.5 per cent of the population now, but the figure is expected to rise to 7 per cent by the year 2010.

Furthermore, while older generations of Australians were less knowledgeable about Asia and Asians than they might have been, and some wartime prejudices have been slow to evaporate, a major effort is being made to systematically educate current and future generations of young Australians about the region in which they live - not least with the plan now in place, unmatched anywhere else in the region, to have primary and secondary school students routinely taught at least one of six Asian languages. Like our immigration practice, this has just not been fully appreciated in most parts of Asia.

But for all these positives, problems continue to arise from time to time. Not the least of such problems in recent years have been those generated by material appearing in the Australian media critical or denigratory of aspects of Asian society, sometimes deliberately so and sometimes quite unintentionally. When expressions of this kind lead to strongly adverse reactions by Asian governments, as has been the case on occasion, a very tricky situation is created for Australian governments. On the one hand our own cultural tradition of media freedom inclines us to offer no reaction at all other than to point to that tradition. On the other hand, that response may be quite inadequate to protect other Australian national interests involved.

The furthest we can really go in accommodating other cultural sensitivities in situations of this kind is to respond along the following lines (as I did at the time of the Embassy controversy with Malaysia). We can and do criticise the media when they get things wrong, or behave ignorantly and insensitively. We can, and do, express the hope in these situations that they will get things right, or behave more sensitively, in the future. We can and do dissociate ourselves publicly from particular reports or programs when it is our judgment that to do so is necessary to get our own position clear. And where there is a danger of the report or program in question being taken as an official Australian position, we can and do distance ourselves accordingly, but we cannot and should not be expected to comment on everything the Australian media says about other countries.

On a more positive note in this respect, we have supported a number of exchange programs designed to give our journalists a better understanding of other cultures - most of which cultures tolerate less brashness and public aggression than our own - and of the ways in which at least inadvertent offence may be avoided. But while there are a number of things we can do, and are doing, what we simply cannot do consistently with our own political and social culture is to direct anyone in the media how to behave, and I believe that this is well understood in the region.

This leads me to address, finally, the question of the extent to which, if at all, we should as an Australian government feel inhibited about advancing certain value-based policies - in particular those promoting democracy and other human rights - in our dealings with Asia, given that there will always be plenty of voices to be heard saying that we should mind our own business.

My own clear view is that Australian engagement with Asia - or enmeshment, to use another term periodically in currency - does not imply any sacrifice or subordination of our own distinctively Australian national characteristics. To approach the region with confidence that we can operate successfully within it does not mean we have to thwart our national values and culture, or deny our history. It may well make sense in Asia to moderate some of the directness that we might routinely deploy in encounters within Australia, or with North Americans or Europeans. But that is simply a matter of learning the business of normal neighbourhood civility. It does not mean moderating our commitment to values which are at the core of our sense of national identity and worth - in particular those of democracy and individual liberty.

Australia's disposition, based on our history and culture, has been to emphasise those rights and values enshrined in the International Covenant on Civil and Political Rights. By contrast our neighbours, with their different historical and cultural experience, have been more inclined to give primacy to the rights identified in the International Covenant on Economic, Social and Cultural Rights. Like many developing countries, they have tended to argue that an escape from poverty through economic development is a necessary prerequisite for the application of those political and civil rights which so preoccupy democratic developed countries. They point to the economic and social causes of human rights violations, such as international indebtedness, deteriorating terms of trade, threats to the environment and the like.

But to give continuing attention, as we do, to political and civil rights is not to be engaged in the neo-colonialist imposition of inappropriate values. When frank and serious discussion does take place, away from the spotlight of public attention, one rarely experiences in our wider region any denial of the fundamental, universal nature of the rights set out in both International Covenants. Moreover, there is an increasing willingness to acknowledge, at least privately, that democratic and other human rights are not only reconcilable with economic development, but on all available international evidence are extremely helpful in delivering it.

The great democratic experiment in India, one of the world's poorest and most densely populated countries, continues to work and a whole series of Asian countries have in recent years strengthened their democracies against the odds. Despite recent setbacks the urge to go down this path remains palpable in China. Human dignity is inalienable, and the same human rights exist in every kind of society. The urge to democracy is no more than a reflection of these realities. Again, in pressing its neighbours for recognition of basic human rights, Australia is not raising doubts about their integrity as sovereign states. Of course we recognise the claims of sovereignty, but we ask that the universal rights of human beings be also acknowledged and respected.

When these issues are properly handled - as I think they were, for example, in the case of

our recent Human Rights Delegation to China, of which Stephen Fitzgerald was so distinguished a member - there is no reason why they should put at risk Australia's regional relationships. While there is no point in provoking arguments needlessly or counterproductively, and while we should always understand and respect the real sensitivities of countries with different cultural traditions, we should not be afraid to tackle issues which cry out for attention. Nor should we be trapped into embracing crude cultural relativism - the notion that what is good and valuable depends wholly on what is accepted as such in a particular prevailing cultural environment. Australia should make no apology for raising human rights issues - political and civil, as well as economic and social - and for expecting others to acknowledge the integrity of our own values, including, as I have already said, respect for freedom in the media. To make our views known, quietly and courteously, about values we regard as universal and hold dear, does not entail condescension or interference in internal affairs. The question in all these circumstances - as so often in Asia - is not whether to act, but how to act.

So Australia can be an Asia Pacific nation in every sense, without modifying any of our commitment to values or principles which are crucial to our own sense of self. Australia will not lose its identity by becoming ever more absorbed and involved in Asia Pacific regional affairs. On the contrary, that identity will go on developing, losing attitudes of exclusiveness and superiority which may have been part of it in the past, and gaining in the process a new flexibility, a new capacity to learn and adapt, and a new maturity.

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