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Australia and the Importance of Being Global

BY ANDREW O'NEIL

Australia's hosting of this year's Group of 20 (G20) meeting in Brisbane provided an opportunity to reinforce the country's profile as an influential middle power in international relations. The leadership role played by Australia in the G20 complements its diplomatic activism in other multilateral fora, including the United Nations Security Council (UNSC) where it is a non-permanent member until the end of this month. Australia's Prime Minister, Tony Abbott, has not lost any opportunity to emphasize how Australia is playing a leading role in shaping the international agenda across a range of policy areas.

Andrew O'Neil, Head of the School of Government at Griffith University, Australia, explains that "Australia has no choice but to be globally engaged in order to safeguard its national interests in the long term and achieve the external recognition it desires on the world stage."

The conception of Australia's role held by its elites is shaped ineluctably by two assumptions – that Australia is a global actor with global interests, and that Australia's global ranking of around 12-15 – as measured by GDP, military spending, and other key criteria – can be enhanced by a high degree of diplomatic activism. Australian leaders are fond of saying that their country "punches above its weight" in international affairs, and this has been evident historically in areas as diverse as arms control (Australia was a driving force behind the negotiation of the Chemical Weapons Convention) and economic regionalism (with Japan, Australia was co-architect of APEC). Public opinion polls regularly show that despite the presence of the parochialism that is usual in most societies, Australians are relatively internationalist in outlook and appreciate that their country needs to work hard to actively engage with the outside world. Isolationist sentiment has never had a serious domestic constituency.

But, looking beyond historical tradition and leadership in multilateral fora, what are Australia's foreign policy priorities today? A key point to emphasize is that while there are policy differences between the two major sides of politics – the conservative Liberal-National government and the social democratic Labor opposition – these tend to be more cosmetic than substantive. Even on the issue of climate change, the difference between the conservatives and social democrats revolves around the degree of prominence it deserves rather than whether it needs to be addressed as a major policy challenge. Australia's contemporary global policy priorities are a product of the country's economic, strategic, and political interests that have remained surprisingly constant since the 1970s. Australian elites recognize that they have a limited ability to shape Australia's external environment, which is why they place a premium on the role of rules-based institutions like the United Nations.

Australian foreign policy is informed by three fundamental priorities. The first and most important is the preservation and strengthening of trade and investment markets. Trade is of particular strategic importance to the Australian economy and more than half of Australia's exports are destined for Northeast Asia; China alone accounts for 20% of Australia's total two-way trade. And, unlike trade balances with the rest of the world, Australia enjoys a healthy surplus with Asia. On the foreign direct investment (FDI) front,

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the US accounts for roughly a quarter of total FDI stocks in Australia, followed by the UK (15%) and Japan (11%). Investment flows tend not to follow trade flows in Australia’s case, with most of Australia’s outward FDI concentrated in Europe and North America.

Deep engagement in the G20 and APEC forums is not just motivated by muscular middle power ambitions. These forums provide Australian policy makers with an opportunity to shape macroeconomic decisions that will directly impact the global economy. A strong emphasis on promoting open market access by reducing tariff barriers and locking states into robust growth targets has been the hallmark of Australia’s approach. Bilaterally, the lion’s share of Australian efforts has focused on concluding FTAs with key economic partners. By the end of 2014, Australia will have concluded FTAs with each of its top four trading partners. A landmark FTA with the United States (2005) has been followed by a ‘trifecta’ of FTAs with Japan, South Korea, and China, all signed this year.

The second priority in Australian foreign policy is the perpetuation of US primacy globally, but particularly in the Asia-Pacific. Australian elites regard American strategic leadership as significant for two key reasons. The first is that they believe the US-led order in Asia has been central to the promotion of regional stability, which has in turn nurtured a permissive trading and investment environment from which Australia has benefited. The second reason is that Australia has a major stake in preserving primacy because of its bilateral security alliance with the United States. From the perspective of smaller allies, there is a risk that great power allies will renege on bilateral security commitments if the latter feel less committed to upholding their regional and global commitments more generally. Australia’s published strategic guidance affirms the doctrine of self-reliance in threat scenarios short of a nuclear attack and/or large-scale conventional attacks from major powers, but Australian governments have nevertheless exhibited anxiety when Washington has hesitated to support Australia militarily in certain regional contingencies, including during the INTERFET intervention in East Timor in 1999.

The third priority is the promotion of liberal-democratic norms. This has become increasingly prominent as a rhetorical thread underlying Australian foreign policy in recent years. Bipartisan commitment to strongly pursuing a distinctly liberal UN agenda on issues such as the rights of women and girls, as well as a more prominent preference for liberal forms of governance worldwide has resulted in a more norms-based Australian foreign policy. At one level, this is not surprising: after all, Australia is one of the world’s oldest liberal democracies. However, Australian policy elites have historically tended to eschew normative agendas internationally in favor of realist and transactional approaches. It is worth noting that, even in relations with Australia’s most important economic partner, China, Australian policy makers have been willing to comment publically on Beijing’s democratic deficit and its mixed human rights record.

Australia possesses a limited capacity to shape its external environment. In strategic terms, it is a security taker rather than a security maker, and economically Australia remains at the mercy of demand-side forces in Northeast Asia. In security and economic terms, therefore, Australia is acutely vulnerable to twists and turns in the international system. Policy makers seek to mitigate these vulnerabilities through robust engagement in multilateral fora and the development of bilateral agreements to govern trade and investment relationships, as well as a security alliance with the world’s strongest military power. Ultimately, political elites recognize, as does the general public, that Australia has no choice but to be globally engaged in order to safeguard its national interests in the long term and achieve the external recognition it desires on the world stage.

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APB Series Editor: Dr. Satu Limaye
APB Series Coordinator: Alex Forster

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