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ANALYSIS

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AMBITION: THE EMERGING FOREIGN POLICY OF THE RUDD GOVERNMENT

EXECUTIVE SUMMARY

The defining feature of the Rudd Government's emerging foreign policy is its ambition. It seeks for Australia a shaping role in addressing a number of urgent international challenges. These include the creation of new global and regional institutions, the reinvigoration of nuclear disarmament and the successful negotiation of a new instrument to address climate change.

Kevin Rudd dominates the formulation of Australian foreign policy more securely than any of his predecessors. He came to office with a well developed world-view, centered on the consequences for Australia of the emergence of an 'Asia Pacific century'. He is the first Australian Prime Minister born after the Second World War and the first whose views have been shaped essentially by the rise of China.

Rudd's foreign policy includes strong elements of continuity. His Government has managed relations with Australia's key partners effectively.

But in contrast with the diplomatically parsimonious strategy of the Howard Government which sought to advance Australia's interests by leveraging a few key relationships with large partners, Rudd's strategy requires extensive coalition building and a diplomacy with global reach to support it.

The final judgments about the success of the Rudd Government's foreign policy will rest on whether it can get the balance between ambition and implementation right.

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Twelve months after he swept convincingly to office after an election campaign in which the subject was hardly mentioned, Kevin Rudd dominates the formulation of Australian foreign policy. His two predecessors, John Howard and Paul Keating, became deeply involved in international policy, but they did not start out that way.[1] Rudd, however, had begun his career as an Australian diplomat after studying Chinese language and Asian history. He was shadow foreign minister before his elevation to the leadership. He came to office with a well-developed world view. Not even E.G. Whitlam, when he was his own foreign minister in 1972-3, faced such little competition for influence on international policy within the governing party. This is partly because of the circumstances in which Rudd came to power, owing little to the ALP's traditional factions, partly because the new foreign minister, Stephen Smith, took office without experience in the area, and partly because a number of formerly divisive debates within the party – on the US alliance, for example, and East Timor – have lost their heat or their purpose. So, even more than usual in Australia, this is a foreign policy shaped and articulated by the Prime Minister.

Political change is rare in Australia. For the past 25 years the country has had only four Prime Ministers and four foreign ministers. The purpose of this Analysis is to examine Australian foreign policy during the Rudd Government's first year in office, to place it in the context of past Australian policy, to examine Rudd's own contribution to it, and to raise some questions about the future. Foreign policy and national security policy interact in complex ways and cannot ever effectively be disentangled from each other, but the weight in this paper is on foreign policy and diplomacy rather than on questions of defence strategy and structure.

The Australian foreign policy tradition

From the beginning of European settlement in Australia, the central dilemma for its foreign policy has always been how best to protect the security and economic interests of a small population occupying a rich continent, located far from its key markets and major security partners. The early American revolutionaries feared foreign entanglements; Australia's primal fear was of abandonment.

As a result, isolationism has never been a significant strand in Australian thinking. The country has not seen its security as best served by withdrawing from the world. This has generated in Australian foreign policy a practical and activist bent, a belief that it is preferable to try to shape outcomes in the world rather than wait to be shaped by them. It has encouraged an enthusiasm for foreign policy initiatives, at a pace which can sometimes exhaust its neighbours: initiative-mongering is a national pastime. It has also driven Australian participation in the broader military activities of its allies – from the Boer War to Iraq – in the belief that this represented down-payment on an insurance policy (the most powerful metaphor in Australian national security policy) against a time it might need protection itself.

Australia has grown in size and importance. It is now a middle-sized power – the fourteenth largest economy in the world, with the thirteenth largest defence budget, and

significant energy and other economic resources. It is big enough to have an impact internationally but still not large enough to shape outcomes by itself. This means it has to work with others to achieve its objectives.

Within the tradition of Australian foreign policy, two broad strands exist on how Australia can best protect its interests. On the one hand, the conservative parties – the Liberals and the Nationals – emphasise reliance on deep bilateral relationships with allies, our 'great and powerful friends' in Sir Robert Menzies's language. The Labor tradition, of which Kevin Rudd is part, tends to put more weight on multilateral cooperation through the United Nations and other international bodies. But elements of both approaches co-exist in the foreign polices of both major political parties.

The foreign policies of all countries are generated by a complex mixture of factors. In Australia's case, its location in the world, the structure of its economic resources and patterns of trade, its history and values, combine to ensure that any contemporary Australian government which wants to succeed politically has to adhere broadly to a foreign policy which encompasses support for the US alliance, engagement with our Asian neighbours and – because we are not a member of any natural geographical grouping – support for a rules-based international trading system.

Within that general approach, the individual elements of which have strong public support, the details and emphasis can vary greatly, but any Australian government which strays too far off that path is likely to find itself in serious political difficulties. The Labor Party found this in the past over the US alliance and John Howard discovered it when he had a political flirtation with populist anti-Asian sentiment.

Kevin Rudd's world-view

Academic commentators and other observers sometimes read more structure and order into government policies than actually exist. Scholars and think tankers like to identify patterns, to impose coherence, but governments often operate quickly and reactively. The words politicians choose to use in press conferences and even speeches can be made with much less care and reflection than analysts try to give them afterwards. With that caveat, given his dominance of the terrain, the most useful point to begin a discussion about Australian foreign policy over the past twelve months is by considering Kevin Rudd's world-view.

At an analytical level, Rudd's broad assessment of the major developments in the world does not differ much from the views of the preceding government. He points out that the world 'is experiencing rapid change of an order of magnitude rarely experienced in human history. These changes are complex. These changes are greatly inter-connected – defying the capacity of the traditional silos of public sector policy formulation to deal effectively with them. These changes are also, in the main, global and therefore tend to defy exclusively national responses. These changes demand that every nation review and renew their national objectives, their participation in regional and global institutions and their place in a dynamic world. And nowhere is the pace of change faster than in the Asia Pacific region.'[2]

He has tried to reconcile the two different strands of thought – interest-driven realism and values-driven liberal internationalism – that have always coexisted within his own Labor Party, as well as in the wider debate in Australia. Speaking at the United Nations in September, he expressed that synthesis like this: 'Interdependence is not the expression of sentimental idealism …Interdependence is the new realism of this 21st century.'[3]

The dominant global trend for Rudd, and the most persistent theme in his speeches, is the shift of global power towards Asia. He characterises this most often as the emergence, or dawn, of the 'Asia Pacific century'. For Rudd, 'A core challenge for Australia is – how do we best prepare ourselves for the Asia Pacific century – to maximise the opportunities, to minimise the threats and to make our own active contribution to making this Asia-Pacific century peaceful, prosperous and sustainable for us all.'[4]

He sees the future relationship between China and the United States as central to this outcome: 'For Australia, the single core question of whether ours will be a Pacific century rests on the long-term management of this most critical relationship…'.[5]

Kevin Rudd brings a different perspective to his thinking about Asia from that of any of his predecessors. He is the first Australian Prime Minister born after the Second World War, the first since Chifley whose views of the region have not been shaped primarily by the emergence and consequences of the anti-colonial movement in Southeast Asia. In its various dimensions this was the dominant theme in Australian foreign and defence policy from the post-War struggle for the independence of Indonesia through *Konfrontasi* and the creation of Malaysia, the British withdrawal east of Suez, the traumas of the Vietnam War and its bloody aftermath in Cambodia, to the final independence of East Timor under John Howard. For most of Rudd's predecessors this gave Southeast Asia a particular place in their view of Australia's engagement with Asia.

The Prime Minister was of a later generation; the first in Australia whose views were defined by the idea of the rise of China. He has thought about Asia in different ways, and in a larger, global context.

He has an activist view of what Australia can accomplish, part of that long Australian tradition. Indeed he is committed to 'an Australian diplomacy that will be more activist than in the past'.[6] He has spoken frequently about Australia's capacity to engage in what he calls 'creative middle power diplomacy'. This is not a phrase I like, mainly because I am not convinced there is anything structurally different about the creative diplomacy applied by powers of any size, but he means by it that Australia should use its influence to build coalitions of support with others on issues of global significance. He speaks about Australia as a 'regional power prosecuting global interests.'[7]

Like all political leaders, however, the way he looks at the world is moulded by factors well beyond his education and professional experience. These include his personal religious convictions. Mr. Rudd is uncommon in Australian political life in his willingness to

speak about the impact of his religious beliefs on his political views.

In particular, he has written of the influence on him of the anti-Nazi German theologian Deitrich Bonhoeffer. He has argued that a core principle shaping the engagement of Christians to the state 'should always be that Christianity…must always take the side of the marginalised, the vulnerable and oppressed'. He has not suggested that these principles provide a universal moral precept from which all elements of social and economic policy can be derived. 'But they do provide an illuminating principle…that can help to shape our view of what constitutes appropriate policy for the community, the nation and the world.'[8]

These personal convictions add a strong dimension of concern about social justice to Mr. Rudd's foreign policy outlook and may lie behind aspects of his foreign policy, including support for the Millennium Development Goals and his government's commitment to increase Australia's overseas aid budget to 0.5 per cent of Gross National Income by 2015.

And, although it is not strictly a foreign policy issue, their impact can be seen in the apology to indigenous Australians the Prime Minister offered in Parliament in February for the 'profound grief, suffering and loss' they suffered as a result of official government actions over the years. Written personally by Rudd, this apology had a positive impact on views of Australia in many parts of the world.

The Rudd Government's policies

When any new government comes to office it goes through a period of learning on the job. The Hawke government found itself in difficulties with both Indonesia and the United States in the early 1980s. In 1996, the Howard government encountered problems with several Asian countries, especially China. Difficult first years in government are not unusual, in other words. In contrast, the Rudd government's first year in office has been largely smooth. There were handling problems, as we shall see, with Japan, India and the United States, but by year's end it was possible to say that Australia's relationships with its key bilateral partners were all in sound shape.

Although foreign policy had not played a large role in the election campaign, Rudd moved quickly to implement his specific promises, announcing Australia's accession to the Kyoto Protocol on climate change, withdrawing Australian combat troops from Iraq and ending the 'Pacific solution' under which people arriving illegally in Australia by boat had been shipped to some of the remoter parts of the Pacific.

The Prime Minister's most frequent description of his government's foreign policy is that it is based on 'three pillars' – the United States alliance, engagement with Asia and membership of the United Nations. These have become a mantra for ministers and officials. But they are not especially helpful. In essence they represent no more than an unweighted statement of the perennial themes in Australian foreign policy mentioned earlier. It is necessary to look in greater detail at how foreign policy

has been implemented in practice by the Rudd government.

The first of the pillars is **relations with the United States**.

Perhaps the most difficult foreign policy task Rudd faced on coming to office was to manage the relationship with Washington. John Howard, who was visiting the United States at the time of the terrorist attacks in September 2001, had established very close personal relations with President Bush. Labor policy was opposed to the war in Iraq and the new government was committed to withdrawing Australian ground forces. Labor was at odds with Washington on climate change. The potential for tension was real.

Rudd had made a large personal investment in the relationship over many years, however, and there was little doubt about the centrality of the United States to his views of the world. As he expressed it in his National Security Statement, the United States is 'our key strategic partnership and the central pillar of Australian national security policy.'[9] By working closely with the Americans and crafting his language carefully – publicly arguing, for example, that the United States is an 'overwhelming force for good in the world' – by structuring the withdrawal of Australian land forces carefully and re-committing Australia to military efforts in Afghanistan, he managed the transition with some skill.

The clumsy leaking to The Australian newspaper in October of alleged remarks incorrectly suggesting that President Bush had asked Rudd what the G20 grouping was dented the Prime Minister's reputation and, no doubt, his relationship with the outgoing President, but it is not the sort of development that has a lasting impact.

With Barack Obama's election as President and Hillary Rodham Clinton's nomination as Secretary of State, there is likely to be a much greater coincidence of policy objectives between the new Administration and Australia.

The second of Rudd's pillars is **engagement with Asia**. From the Australian Labor Government's support in 1945 for Indonesia's independence struggle, through Gough Whitlam's diplomatic recognition of China in 1972, to Bob Hawke and Paul Keating's work on APEC in the 1980s and '90s, this has long been a focus of Labor policy. Mr. Rudd has added a new dimension, speaking of his ambition to make Australia 'the most Asia-literate country in the collective West.' Part of that involves an aim he has pursued for many years of increasing the teaching of Asian languages in Australian schools.

Before Rudd took office there was some nervousness in other parts of Asia about his perceived closeness to *China*.

There is no doubt that China's growth as a global power is central to the way he sees the international system developing. 'The rise of China', he has said, 'represents the great unfolding drama of this new century. Will China democratise? How will China respond to climate change? How will China deal with crises in the global economic and financial systems? How will China respond domestically to the global information revolution? And how will Chinese culture adjust to the array of global influences now washing across its shores

directly and through the agency of the greater Chinese diaspora?'[10] He sees the way China responds to these forces, and the way other countries react to China, as a significant determinant of the future international system.

Although Rudd was a student of China, his university honours thesis was on political dissidents and he has a deeply reflective view of China and its future. Elements of this were evident in his speech to students at Peking University in June when he spoke, in Mandarin, about the idea of friendship. 'A true friend', he said, 'is one who can be a "zhengyou", that is a partner who sees beyond immediate benefit to the broader and firm basis for continuing, profound and sincere friendship. In other words, a true friendship which "offers unflinching advice and counsels restraint" to engage in principled dialogue about matters of contention. It is the kind of friendship that I know is treasured in China's political tradition. It is the kind of friendship that I also offer China today.'[11]

In Washington, earlier, he had explored the idea of drawing together the American idea of 'responsible stakeholder' and the Chinese concept of a 'harmonious world'. 'The idea of a 'harmonious world', he said, 'depends on China being a participant in the world order and, along with others, acting in accordance with the rules of that order. Otherwise, "harmony" is impossible to achieve. Therefore, there is on the face of it a natural complementarity between the two philosophical approaches. And a complementarity that could be developed further in the direction of some form of conceptual synthesis.'[12]

Before he became Prime Minister he was critical of George W. Bush's designation when he was a candidate for the presidency of China as a strategic competitor. 'The problem in international relations' he wrote, 'is that declaratory language of this nature does not simply describe a pre-existing reality. It actively assists in the construction of that reality…China has, just like Japan, legitimate expectations to be treated as a great power within its own region. This does not mean that China has some sort of *droit de regard*' – that is a right of oversight - 'in relation to the foreign policy of third countries within the region.'[13]

Later, in Washington, he put it this way: 'We should not at one level be surprised that a more affluent China seeks to spend more on its military. But China also needs to be aware that its modernisation drive does have an impact on the region. It is in part a question of transparency. It is also in part a question of uncertainties concerning long-term strategic purpose. We must remain vigilant to changing strategic terrain. But strategic vigilance must not be allowed of itself to become a self-fulfilling prophecy.'[14]

It is a mistake to see Kevin Rudd's views of China in simple terms. He understands the language and likes the people but all his writings and policy actions demonstrate that his knowledge of China gives him a complex and multi-faceted view of the country and its future.

The relationship between the Rudd Government and *Japan* began rockily. It was hard for some Japanese observers to distinguish between Rudd's familiarity with

China and his ideas about Australia's relationship with it and its role in Asia.

A decision by the new government not to pursue proposals, first floated by Prime Minister Abe, for quadrilateral security discussions between Japan, the United States, India and Australia, and Mr. Rudd's failure to make Tokyo a stop on his first overseas visit, added to the criticism by the Opposition in Australia and other observers that he was not paying sufficient attention to Japan. I think this criticism was unwarranted (although the way the decision about the quadrilaterals was announced, in a joint conference between the Australian and Chinese foreign ministers, was insensitive). The quadrilateral proposals had no clear rationale and could only have been seen in the context of an effort to contain China. In any case, the Indian government had already expressed a reluctance to get involved. Privately, there was relief in parts of the foreign policy establishments in each of the putative members that the idea had been sunk. Rudd's failure to visit Japan immediately was neither symbolically nor practically significant, but the diplomatic efforts on both sides during this period were clumsier than they should have been.

The situation was complicated by whales. The timing of the Australian election coincided with a meeting of the International Whaling Commission. Both Australian political parties had been firmly opposed to whaling but the incoming government made its opposition more public and more active by sending civilian aircraft and ships on surveillance missions and threatening to take Japan to the International Court of Justice. Even so, the government's actions fell short of public opinion in Australia on this question. In the latest public opinion survey by the Lowy Institute, 58 per cent of Australians said the Australian government 'should do more to pressure Japan to stop all whaling even if we risk losing valuable trade deals', whilst just three per cent thought that Japanese whaling should not be stopped.

When Mr. Rudd visited Japan officially in June, he appeared to put at rest concerns about the bilateral relationship. Certainly his official statements could not have been clearer:

> The relationship between Australia and Japan is one of comprehensive strategic, security and economic partners. It is a relationship of enduring friendship. We are true friends and true partners. And it is a relationship that the Australian Government is committed to developing.[15]

Prime Ministers Rudd and Fukuda issued a Joint Statement on Comprehensive Strategic, Security and Economic Partnership, declaring the intention of the two countries to work together on a large range of international issues. This has been backed up by an active program of Australian ministerial visits to Japan during the year. The new government in Canberra might have been cautious about quadrilateral security discussions, but it enthusiastically supported the Trilateral Security Dialogue, involving Australia, Japan and the United States. It also showed its interest in working with Japan in its proposal, discussed later, for an International

Commission on Nuclear Non-Proliferation and Disarmament.

Whaling remained a sensitive issue, but the Prime Minister appointed a former senior Australian public servant and diplomat and former CEO of the Sydney Olympics, Sandy Hollway, to act as a special envoy with Japan on whaling. By year's end, the signs from both countries were that they did not want this issue to further disrupt the bilateral relationship.

Elsewhere in Asia, the government (especially the West Australian-based foreign minister, Stephen Smith) has made the development of relations with *India*, Asia's other emerging power, a priority. The task was complicated by the strong anti-nuclear feeling within the Labor Party and its decision, because India is not a signatory to the Nuclear Non-proliferation Treaty, to reverse the Howard government's in-principle decision to allow uranium exports. However, the most important Australian action from India's point of view was the government's decision to support consensus within the International Atomic Energy Agency and the international Nuclear Supplier's Group to permit the India-United States nuclear agreement to go ahead. The issue does not seem to be an inhibition to the interests of both sides in developing broader links. The Rudd government has strongly supported Indian membership of regional institutions including APEC, the two sides have agreed to begin talks about a free trade agreement, and political, security and intelligence links have been upgraded

Relations with *Southeast Asia* have continued on the positive track forged in its later years by the Howard government. Australia's relationship with the largest and closest of the ASEAN countries, Indonesia, has been much easier to navigate since the emergence of democracy and East Timor's independence, which removed that issue as a constant irritant. In February the Labor government brought into force a new framework for security co-operation (the Lombok Treaty), negotiated by the Howard government. Labor has continued the large development assistance program begun by Howard, agreeing to provide up to $2.5 billion in aid to Indonesia over the next five years. Australia and Indonesia are also acting together regionally, establishing a joint regional Disaster Reduction Facility in Jakarta at a cost of $65 million over five years.

In February, army rebels in *East Timor*, where Australia has a large peace-keeping force, shot and injured President Jose Ramos Horta. Rudd's response was immediate. He sent in an additional 200 army personnel, naval resources and extra police and visited East Timor himself. His actions in this crisis in the near neighborhood might have been taken directly from the pages of the John Howard playbook.

In June, Rudd brought many of his ideas about Asia together in his proposal to initiate discussion about the creation before 2020 of a new *Asia Pacific Community*. He argued that the structures of cooperation in the Asia Pacific region are inadequate to cope with the challenges Asia will face as global economic and military power continues to shift to this part of the world. No current organisation offers regional leaders the chance to discuss economic, political and security issues in one forum. He proposed instituting a discussion about these issues within the region, sending an emissary (the very experienced former

Australian diplomat Richard Woolcott) to consult regional governments before convening a broad conference, involving both governments and non-government organisations on the subject in 2009.

In his original speech he specifically did not propose an EU-type body, but in the looseness of his language (and the weight given to the EU example) he left the impression that this was the general direction in which he thought Asia should move.

No advance consultation took place with regional governments. Given that all the Prime Minister was proposing was discussions – and with an objective twelve years in the future – this might have been thought strictly unnecessary, but it was not the best way of proceeding politically, especially given the suspicions of some regional players and the role of regional architecture as a surrogate for a broader debate about the future of the region.[16]

The Prime Minister's subsequent discussions of his proposal did not clarify his objective. The Community should be, he said, 'a single pan-regional body that brings together the United States, China, India, Indonesia, Japan and the other countries of the region with a broad agenda to deal with the political, economic and security challenges of the future. As we know, no such body in the region does that at present, either by dint of its membership or by dint of its agreed agenda. It is time we moved towards such a body.'[17]

The proposal, he has said, is 'not about economic or monetary union, or even a customs union. It is not about a political union. It is not about a security pact. It does not envisage any diminution in national sovereignty. Nor does it necessarily envisage any diminution of any of the existing regional bodies or existing security alliances or other similar arrangements.'[18]

The idea took some early hits around the region, but Richard Woolcott began his extensive program of consultations. By the end of the year it seemed that the idea was continuing to be discussed but the focus was on how existing institutions might be expanded or changed to address the need for a forum within which broad consultations could be conducted.

One largely overlooked success story of the Rudd Government's first year in office has been relations with the Pacific islands region. By the end of the Howard Government, relations with a number of key states in the area had become frayed (the responsibility was by no means all on the Australian side) but there was a need for some fresh beginnings and Rudd was prepared to put energy and effort into rebuilding Australia's relations. In his first – early – visit to Port Moresby in March 2008, he established new Pacific Partnerships for Development, aid agreements with a strong element of mutual responsibility in return for increased Australian aid funds. In August, at the Pacific Islands Forum in Niue, he announced the introduction of a three-year pilot seasonal worker scheme for up to 2,500 workers from Papua New Guinea, Vanuatu, Tonga and Kiribati to work in Australia's horticulture industry for up to seven months. This acceptance of guest workers was a radical departure from previous Australian policy.

Rudd's efforts to change the tone of relations with the South Pacific were assisted by the

willingness of the Foreign Minister, Stephen Smith, to spend time on the region. The appointment of a new Parliamentary Secretary for Pacific Islands Affairs, Duncan Kerr, an experienced parliamentarian with a background in the Pacific, was another useful sign of the government's commitment. The Prime Minister also worked closely and productively with New Zealand in this approach.

The third of Rudd's three pillars is **membership of the United Nations**, which is short-hand for engagement with the multilateral system.

Here, the differences from the Howard government's approach are clearer. The last government's foreign policy was characterised by an emphasis on bilateral relationships and a quite narrow definition of the Australian national interest. Rudd is much more comfortable with multilateral diplomacy. In this, he follows a strong Labor tradition which includes the role of Foreign Minister H.V. Evatt, in the early development of the United Nations and, more recently, the work of Gareth Evans, in the Hawke and Keating governments. Rudd has written and spoken admiringly of Evatt's early work in trying to shape global institutions. He seems to see parallels with the situation now.

From this belief in the value of multilateral institutions have flowed a number of Rudd government policies, including the decision to seek a non-permanent seat on the UN Security Council in 2013-14 (a major challenge given the strong positions of the current two candidates for the two slots available to the Western Europe and Others Group to which Australia belongs), proposals on nuclear disarmament and ideas about global and regional architecture, including international financial institutions.

The great international change over the government's first twelve months has been the sudden devastation of the global financial crisis. Few saw it coming, at least in the way it emerged, but its worldwide impact had the effect of demonstrating the long-evident truth that the institutions of global governance, from the UN Security Council to the International Monetary Fund (in which the Benelux countries have a larger share of the votes than China) to the G7 group of industrial powers, were no longer representative enough of the actual distribution of power in the world to be up to the task of managing the world's emerging crises.

Kevin Rudd saw early, and enthusiastically, that the G20 group of Finance Ministers and central bank governors, which had been established after the 1997-98 Asian financial crisis and brings together a diverse set of developing as well as developed countries including China, India, Brazil and Australia, was a more useful forum to deal with the global economy. He energetically urged the case for using the G20 to address the global financial crisis on other leaders and by all reports was an influential figure in the meeting in Washington.

For Australia, trade policy is another important dimension of the multilateral system. Before it came to office the Rudd government was critical of Howard's support for free trade agreements, arguing that priority should be given to the Doha Round and the World Trade Organisation. But faced with the continuing

failure of these talks, and opportunities to negotiate new agreements, the government has adopted a policy which is virtually indistinguishable from that of its predecessor, looking at all opportunities for trade liberalisation. In August, Australia, New Zealand and ASEAN concluded a Free Trade Agreement and the government is continuing to negotiate Free Trade Agreements with Japan, China, the Gulf Cooperation Council and Malaysia and a seven-member Trans-Pacific Partnership Agreement.

The Trade Minister, Simon Crean, has been a prominent and creative figure in the negotiations over the Doha global trade round. His optimism and trade union-honed negotiating skills have been helpful in keeping alive negotiations which have been perpetually poised on the brink of failure. Australia does not have the clout to bring the Round to a conclusion but if anything is salvaged from it, Crean will be one of the figures to thank.

In Kyoto in June, Rudd announced the establishment of an International Commission on Nuclear Non-Proliferation and Disarmament, headed by former Australian foreign minister, Gareth Evans, and former Japanese foreign minister, Yoriko Kawaguchi. Its fifteen eminent international thinkers have a two-year mandate to address the pressing, and difficult, issue of how to prevent the spread of nuclear weapons around the world and strengthen the nuclear non-proliferation regime. The Commission's creation reflected a long-standing strand in Labor policy and continues the work done in the 1990s by the Keating government's Canberra Commission on the Elimination of Nuclear Weapons. Rudd faced criticism again, including in the United States, for failing to consult before the idea was launched.

Perhaps the largest and most difficult international issue the Rudd government faces is climate change. The Prime Minister has described it as 'the greatest moral, economic and social challenge of our time'.[19] It is also the most complex and difficult international negotiation ever undertaken.

Rudd has also worked enthusiastically on other international environmental issues, including the preservation of rainforest in Australia's neighbours, Indonesia and Papua New Guinea. He has announced the establishment of a global centre to finance and develop carbon capture and storage technology. This is particularly important for Australia because of its coal resources.

Rudd is at heart an institutionalist; that is, he places great weight on the role that international institutions can play in shaping the global system. He seems to think naturally about the world in terms of organisations and structures. In addition to the well known campaigns for membership of the UN Security Council, Australia has been campaigning for membership of the little-known (and less effective) Asia Europe Meeting – ASEM – and has become an observer at the South Asian Association for Regional Cooperation (SAARC), involving India and its neighbours

At the end of twelve months there has been more continuity than change in the content of Australian foreign policy. In relations with Australia's most important partners, the United States, Japan, China, Indonesia and Southeast Asia, in defence and national security, and in

trade policy, a strong thread of continuity exists between the Rudd Government and previous Australian positions. The style and priorities are different, but the direction of relationships with key partners has not altered. The area of greatest change has been in the multilateral arena – in attitudes towards the United Nations, in Australia's willingness to engage in global activities such as climate change and arms control, and in the development of global and regional architecture.

The operations of foreign policy

The operational style of Rudd's foreign policy has been a mixture of the traditional and the innovative.

It is hard for an outsider to penetrate the inner workings of government but Rudd seems to be an effective, if dominant, chair of the National Security Committee of Cabinet. He has a strong team of Ministers. Stephen Smith, the Foreign Minister, faced a steep learning curve on his appointment but has settled comfortably into the job. There have been no public signs that Smith chafes at the Prime Minister's activism in his portfolio. He seems to have responded by carving out a role for himself (cautiously, as is his style) in areas like Southeast Asia, the Gulf, Africa and the Pacific which are not central to the Prime Minister's interests (though few parts of the world escape his attention over time). Smith's two parliamentary secretaries – Bob McMullan on aid and Duncan Kerr on the South Pacific – are among the most experienced members of parliament. Simon Crean has, from the beginning, looked and sounded completely comfortable in his portfolio.

Unlike John Howard, whose first acts involved substantial changes to the personnel and structure of foreign policy, including the creation of a new, larger, National Security Committee of Cabinet and the dismissal of the Secretary of DFAT (along with five others), Rudd has emphasised his adherence to the traditional forms of the Westminster system. At the end of the government's first year, the secretaries of DFAT and Defence and the directors general of all of the intelligence and security agencies were unchanged. The heads of DFAT, Defence, ASIO and ONA had all worked directly for John Howard in his private office. The Chief of the Australian Defence Force was reappointed for a further term, and the newly-appointed National Security Adviser had held a similar position under the previous Prime Minister. The heads of Australian diplomatic missions in Washington, Beijing, Tokyo, Jakarta and New Delhi had all been appointed by, and had worked closely with, the Howard Government. The Ambassador to the United Nations was a former Liberal Party Defence Minister. The general structure of the National Security Committee remained unaltered.

Almost the only administrative change was the creation, in a minor bureaucratic shuffle, of a new Office of National Security in the Department of the Prime Minister and Cabinet and, right at the end of the year, the announcement of new measures to coordinate the internal and external dimensions of national security policy under the authority of the new National Security Adviser, working as an associate secretary in the Prime Minister's

department. Perhaps the most bureaucratically innovative development in the area of international policy was the creation of a new Department of Climate Change, interesting because it deals equally with both domestic and foreign priorities, underlining the growing difficulties of distinguishing between internal and external policy.

The continuity in the structures of international policy-making disguises some quite sharp changes, however, in the way Rudd has conducted foreign policy. One of his government's aims, he told senior public servants, was 'to encourage wider participation in the processes of government from all parts of the community'[20] and in this area he has delivered. The 2020 Summit was designed to reinforce this message. The Prime Minister is interested in ideas and draws on a more than usually wide range of sources, including many outside government, in searching for them: academics, think tankers, business people, consultancy groups and others have been drawn quite formally into discussions about central foreign policy issues.

He has also gone outside the public service to draw on special envoys to address particular policy questions, including former senior officials Richard Woolcott on the Asia Pacific Community, and Sandy Hollway on both Japanese whaling and the future of the Kokoda Track in Papua New Guinea. He asked Gareth Evans to chair his new nuclear disarmament commission. A senior Treasury official, Mike Callaghan, was designated as his senior emissary on the G20 finance arrangements. Such appointments are not unusual, of course, but Rudd has used them with greater regularity than his predecessors.

The pace and intensity of the Prime Minister's working style, observers agree, is unremitting. The order and organisation is less evident. The Prime Minister's penchant for reports and studies, the restlessness of his mind, the search for ideas and responses, mean that the demands on the public service and ministerial staff have been enormous. Both senior and junior officers are working very long hours. The demands on Rudd himself are also enormous, including the pressure of a punishing travel schedule. The dangers of burn-out and the challenges of sustainability are both real.

Ambition and foreign policy

The single word that best describes Kevin Rudd's foreign policy is ambition. I think he genuinely wants to help shape the international system. He wants Australian foreign policy to make a difference to the challenges facing the world. And he wants to play a part in this himself.

'Right now', he has said 'we are engaged in great challenges about how we shape and reshape the international order'.[21] That's a big field to play on. His strategic goals are no less ambitious: 'to maximize global and regional stability and ensure that the global economy remains open.'

The ambition is seen in the series of goals he has set himself, and in the personal commitment which has informed each of them:

- to contribute to the development of global institutions (the G20) adequately to help respond effectively to the global financial crisis. The next meeting of the

G20 will be held in April 2009 and from that is likely to emerge decisions about whether this group – of which Australia is a member – or some other will be the major forum in the future for discussion about the international economy.

- to 'reinvigorate the global debate on the need to prevent the further spread of nuclear weapons and for nuclear disarmament, and to strengthen the Nuclear Non-Proliferation Treaty (NPT) by seeking to shape a global consensus in the lead up to the 2010 NPT Review Conference, and beyond'.[22] This is the mandate of the International Commission on Nuclear Non-Proliferation and Disarmament before its mandate expires in 2010.
- to lead the development of an Asia Pacific community, with a promised meeting of government and non-government leaders on the subject in Australia in 2009.
- to 'help shape an effective global solution'[23] to climate change, with the critical United Nations climate change meeting in Copenhagen in November 2009 determining (whether there is) a way forward beyond the Kyoto Protocol.
- to secure Australian election to a non-permanent seat on the UN Security Council in a tightly contested election.

As someone who strongly believes in the vital role of statecraft in shaping a more secure and prosperous international environment, and in Australia's capacity to contribute, I find this ambition welcome.

But individually each of these objectives is a dauntingly difficult task for Australian diplomacy. And other new challenges will arise, just as the global financial crisis has done.

The Howard government's international strategy, focusing on leveraging close relations with allies, was intrinsically more diplomatically parsimonious. As John Howard explained it in 2005, 'We seek to engage most substantially with those countries with which our primary strategic and economic interests reside. We believe that what matters most for our regional engagement is the substance of relations between countries, more so than any formal architecture of diplomatic exchange.'[24]

The Rudd government's wider, coalition-building ambitions need greater global reach, and more extensive (and intensive) diplomacy with a much wider range of countries. Yet the resources available to the Department of Foreign Affairs and Trade were cut by $123 million in the Rudd government's first budget. One result has been that initiatives have been launched with inadequate preparation, and followed through with insufficient impact.

Creative diplomacy is a good thing, but scattering onto the international landscape seeds which do not germinate can harm the national reputation.

It is still early days but the final judgments about the success of Australian foreign policy under Kevin Rudd, and his ultimate legacy, are likely to rest on whether his government can get that balance between ambition and implementation right.

NOTES

[1] See, for example, Paul Kelly, *Howard's decade: an Australian foreign policy reappraisal*. Lowy Institute Paper 15, 2006:
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[2] Kevin Rudd, The 29th Singapore Lecture, *Building on ASEAN's success: towards an Asia Pacific Community*, 12 August 2008:
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[3] Kevin Rudd, Address to the United Nations General Assembly, New York, 25 September 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0502.cfm.

[4] Kevin Rudd, Speech to the Asia Society AustralAsia Centre, 4 June 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0286.cfm.

[5] Kevin Rudd, Interview on ABC Radio, The World Today program, 1 April 2008:
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[6] Kevin Rudd, *The First National Security Statement to the Parliament*, 4 December 2008:
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[7] Rudd, *The First National Security Statement to the Parliament*.

[8] Kevin Rudd, Faith in politics, *The Monthly*, No. 17 October 2006:
http://www.themonthly.com.au/tm/?q=node/300.

[9] Rudd, *The First National Security Statement to the Parliament*.

[10] Rudd, The 29th Singapore Lecture, *Building on ASEAN's Success: Towards an Asia Pacific Community*.

[11] Kevin Rudd, *A Conversation with China's youth on the future*, Peking University, Beijing, 9 April 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0176.cfm.

[12] Rudd, *The Australia-US alliance and emerging challenges in the Asia-Pacific region*, The Brookings Institution, Washington DC, 31 March 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0157.cfm.

[13] Kevin Rudd, ANZUS and the 21st century, *Australian Journal of International Affairs*, Vol. 55(2) 2001 p 309.

[14] Rudd, *The Australia-US alliance and emerging challenges in the Asia-Pacific region*.

[15] Kevin Rudd, Speech at a dinner hosted by the Japan-Australia Business Cooperation Committee entitled Enduring friends, enduring economic partners:
http://www.pm.gov.au/media/speech/2008/speech_0303.cfm.

[16] See Allan Gyngell, *Design faults: the Asia Pacific's regional architecture*. Lowy Institute Policy Brief, July 2007:
http://www.lowyinstitute.org/Publication.asp?pid=638.

[17] Kevin Rudd, *Towards an Asia Pacific century*, Speech to the Kokoda Foundation, 20 November 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0623.cfm.

[18] Kevin Rudd, *Australia and Indonesia - inseparable partners working together and working together in the world*, Jakarta, 13 June 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0314.cfm.

[19] Kevin Rudd, *Building a better world together*, Speech at Kyoto University, 9 June 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0294.cfm.

[20] Kevin Rudd, Address to heads of agencies and members of Senior Executive Service, Canberra, 30 April 2008:
http://www.pm.gov.au/media/Speech/2008/speech_0226.cfm.

[21] Kevin Rudd, Speech at the opening of the Hedley Bull Centre, ANU, 6 August 2008: http://www.pm.gov.au/media/Speech/2008/speech_0399.cfm.

[22] Kevin Rudd, International Commission on Nuclear Non-proliferation and Disarmament, Media release, 25 September 2008: http://www.pm.gov.au/media/Release/2008/media_release_0499.cfm.

[23] Kevin Rudd, *Leadership for long term sustainability*, Address to National Business Leaders' Forum on Sustainable Development, 19 May 2008: http://www.pm.gov.au/media/Speech/2008/speech_0253.cfm.

[24] John Howard, 2005 Lowy Lecture on Australia in the World: http://www.lowyinstitute.org/Publication.asp?pid=396.

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