Issues in Australian Foreign Policy
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The second half of 2001 will be remembered as one of the more eventful and significant periods in recent Australian foreign policy. Two issues — immigration policy and the terrorist attack on the United States — dominated the period under review here. Although Australian interests were, arguably, only indirectly involved in the latter incident, the aftermath of “September the eleventh”, as the attack rapidly became known, overshadowed Australia’s federal election and gave foreign and security policy a rare prominence amongst an Australian electorate not usually known for its interest in foreign affairs. The tumultuous events of late 2001 not only threw the conduct and efficacy of John Howard’s coalition government’s foreign policy into sharp relief, it highlighted a number of issues that are likely to be central to the agendas of foreign policy-makers more generally over the coming decades.

In Australia itself, the first “khaki election” since the Vietnam era had paradoxical effects. Despite the sudden and unexpected general interest in foreign policy, debates about the possible content of such policies were remarkably circumscribed. The dominance of security issues and the reluctance of the Australian Labor Party to criticise the coalition government at a time of perceived national crisis, saw a remarkable uniformity of opinion amongst Australia’s political elites regarding appropriate policy. In the aftermath of Labor’s electoral defeat, dissident voices have been raised about its campaign strategy, but during the campaign itself, meaningful debate about Australia’s possible policy responses was generally noticeable by its absence. Discussion of the “refugee crisis”, which unfolded during the election campaign, and which became conflated with wider security questions, was marked by a similarly remarkable bipartisanship.

Even with the luxury of hindsight, some of the challenges thrown up by the recent events remain intimidating and not susceptible to easy solutions. Yet one conclusion did emerge with some clarity, and can be asserted with renewed confidence: the idea that policy can be neatly demarcated into separate “domestic” and “foreign” spheres has always been something of a fiction, albeit an administratively or politically convenient one at times. In the contemporary era, however, it has become increasingly apparent that political, economic and security concerns cannot be compartmentalised as “external” and “internal”. The latter part of 2001 demonstrated this contention with, at times, painful clarity, as events that occurred outside Australia’s borders dramatically impacted on Australian society in unpredictable and often troubling ways. Similarly, what Australian policymakers may have seen as essentially “domestic” issues and

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1 For a lucid discussion of the theoretical issues, see Ian Clarke, Globalization and International Relations Theory (Oxford, 1999).

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policy responses were subjected to close, and often unflattering scrutiny by the outside world, in ways that jeopardised Australia’s foreign relations.

The “Tampa crisis” and its aftermath

Andy Warhol famously observed that, in the global village, everyone would enjoy fifteen minutes of fame. Not only was the captain of a Norwegian cargo vessel plucked from obscurity to become the focus of international media attention and occasionally fractious diplomacy, but even the name of his ship — the *Tampa* — became synonymous with Australia’s often contradictory and controversial immigration policies. The action of the *Tampa*’s captain in rescuing refugees from their sinking vessel may have been standard international practice and unremarkable enough in itself, but the Australian government’s determination to “defend the national interest” by ensuring that it was not seen as an “easy target” for refugees and people smugglers, had the effect of transforming a commonplace occurrence into an international incident with disturbing domestic implications.

While the heated atmosphere of a domestic election campaign may have given these issues particular prominence, it is important to recognise that the seeds of what would become a major crisis in Australia’s international relations had been sown some time before. As Maley points out, even during the 1998 election, Pauline Hanson’s One Nation Party managed to win over 8 per cent of the vote by exploiting “general disillusionment with political elites” and by promising to tighten up the processing of, and eligibility criteria for, refugees. Consequently, according to one influential commentator, at least, “the most influential person in the Howard years on immigration and foreign policy has been Pauline Hanson […] her agenda has been faithfully implemented by the Howard government”.

For a government as responsive to domestic political pressures as the Howard government has been, it is perhaps unsurprising that the coalition reacted in the way it did. What is more surprising, however, is that, from the outset, it was painfully apparent that the government’s response to one of the most complex and potentially divisive issues in recent history was improvised, ad hoc and, in the words of *The Australian*, rapidly “degenerated from an offensive, inhumane embarrassment into a full-blown foreign policy crisis”. When confronted with what was, especially in the context of a wider international refugee problem, a fairly routine humanitarian issue, the government chose to take a stand on principle and insist that the 460 refugees on the *Tampa* should be returned from whence they came. The justification for this stance was that acceptance of the refugees would encourage “destination shopping”, the trade in people smuggling, and generally encourage other would-be emigrants to head for Australia.

A couple of points are worth noting about this response at the outset. First, by international standards, Australia’s refugee intake is extremely modest. One of the most disquieting features of the overall international refugee problem, to which the Howard government’s actions inadvertently drew attention, was that some of the poorest, most ill-equipped countries in the world were also recipients of the largest

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5 “PM’s refugee bungling defies reason and decency”, *The Australian*, 30 August 2001, p. 10.
numbers of refugees. Pakistan and Iran had around two million each, while even in wealthier Western Europe, Germany had 180,000 and Britain 87,000 refugees. By contrast, Australia’s own much smaller commitment to humanitarian resettlement — 12,000 — was not even actually achieved in 1999-2000. Far from being inundated with a “rising flood of unauthorised arrivals”, as Howard claimed, Australia had a small and diminishing share of what has become one of the most enduring and intractable of international problems.

The second point to make about the coalition’s response to the refugee issue generally and the Tampa incident in particular, was that possible solutions depended on factors over which the government had little control, particularly the good will of neighbouring countries like Indonesia. Somewhat ironically, the government’s difficulties were compounded by its overall approach to, and relative neglect of, the whole issue of “engagement with Asia”. It needs to be remembered that the Howard government originally came to power by repudiating former Prime Minister Keating’s supposed “obsession” with Asia. Indeed, in a major statement of the coalition’s approach to foreign policy, Howard argued that under Keating foreign policy was “unbalanced” and that “a preoccupation with one particular region, at the expense of others was ill conceived and at odds with this country’s national interest”. As recently as April of 2001, Howard contended that a more distant relationship with Indonesia in the wake of the earlier Timor crisis was “not necessarily a bad thing.”

While such views may be in keeping with a prime minister famously uninterested in foreign policy, the cost of this neglect became all too apparent in the Australian government’s handling of the crisis, and the Indonesia government’s response to it. Not only did the Australian government’s unilateral decision to return the Tampa’s human cargo to Indonesia present Indonesia’s government with a potentially humiliating fait accompli, but it virtually ensured the latter’s non-cooperation in any resolution of the crisis. Senior Indonesian officials took the view that the Howard government was cynically using the crisis for domestic political ends at the expense of its already poor relationship with Jakarta. Howard’s consequent inability to contact Indonesian President Megawati Sukarnoputri at the height of the crisis was not simply a revealing illustration of the quality of the bilateral relationship, but led the government to pursue ever more unlikely and ill-considered solutions to difficulties of its own making.

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9 The other point that should be noted is that there are an estimated 60,000 illegal immigrants in Australia already, but as they are largely from Britain and Europe, and as they arrive by plane, little attention is given to them. See Katrina Bolton, “The Other Illegals”, Background Briefing, Radio National, 3 February 2002.
10 See Pamela Williams, The Victory: The Inside Story of the Takeover of Australia (St Leonards, 1997).
The Pacific solution

The so-called “Pacific solution”, a hastily improvised short-term fix for the refugee crisis, was primarily designed to ensure that refugees did not actually enter Australia—or not until after the election, at least. Given Howard’s own earlier disinterest in the affairs of the micro states of the Pacific, the new-found enthusiasm and support for the governments of Kiribati, Tuvalu, Palau and Nauru, and the financial assistance offered to help them establish processing centres for people seeking asylum in Australia, was a remarkable transformation in government attitudes. Indeed, the whole exercise was full of almost comic irony and contradictions, particularly given that the Australian government’s continuing refusal to sign the Kyoto protocol was helping to make it increasingly likely that life on a number of these islands would ultimately become unsustainable for the locals, let alone thousands of new arrivals.

Luckily for the Australian government, though, no matter how unpalatable and hypocritical some of the Pacific states may have found the actions of the Australian government, the latter’s position as a Pacific superpower meant it could exert considerable political leverage over its neighbours to extricate it from its difficulties and “call in favours from countries least able to say no”. Indeed, the most remarkable aspect of the way in which the “Pacific solution” evolved was not just its ad hoc development, but the fact that the Australian government was prepared to jeopardise relations with many of its immediate neighbours, and the good opinion of the “international community” in a self-serving effort to shore up its domestic political position. In a number of countries, however, especially Fiji and Papua New Guinea, not even the prospect of increased aid from Australia could compensate for the potentially destabilising impact that an influx of refugees might have on those nations’ volatile domestic politics.

The immediacy of the connection between the “domestic” and the “international” was repeatedly demonstrated in Australia. Not only was Australia’s own legal system brought into play in an—unsuccessful, as it transpired—attempt to influence foreign policy, but developments in the international sphere were self-consciously deployed to justify domestic initiatives. This latter phenomenon was most apparent, as we shall see, in the responses to the events of September the eleventh. But even before this, former navy chief, Vice Admiral Richard Peek, accused the government of placing “unprecedented” restrictions on defence personnel in peace time, and of manipulating and controlling public opinion in a manner similar to Goebbels under the Nazis. While there is plainly a degree of hyperbole in such statements, there was clear evidence both that the government made selective and misleading use of video

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14 For the third time in six years, Howard failed to attend the South Pacific Forum, something that, according to one editorial writer, at least, “reveals the Government’s misplaced priorities toward leadership responsibilities in the Pacific”. See “Pacific cold shoulder”, Sydney Morning Herald, 6 August 2001, p. 10.
“evidence” to demean would-be asylum seekers, and that the navy’s role at the forefront of the government’s “border protection” strategy had a deleterious impact on service morale. In other words, the government’s determination to maintain a consistent position in what had from the outset been a hugely popular political initiative was causing it to compromise both standards of public probity, and — in yet another paradox — the defence of the nation itself. Not only was the deployment of military assets to protect Australia from would-be asylum seekers sapping morale and incredibly expensive, but most security experts considered it out of all proportion to the threat faced.

Simultaneously, and of potentially equally great long-term significance at a time when conventional security threats appeared to be of declining significance in the wealthy West, Australia’s reputation as a “good international citizen” was suffering considerable damage. In a number of the world’s most prominent newspapers, Australia came in for unaccustomed attention and almost uniformly negative press. It might be argued that Australia can survive without the good opinion of its immediate neighbours or the wider “international community”, and certainly government spokespeople have consistently attempted to undermine or dismiss the critical comments that have emanated from the likes of the UN. But, as van Ham has persuasively argued, in an era of relentless inter-state competition, there are tangible costs for nations that fail to project the right image in the international system.

Of more immediate importance, and the source of much domestic criticism of the Howard government’s policies, however, was firstly the divisive impact such policies had on Australian society and, secondly, the impact such changes might have on Australia’s foreign relations. Michelle Grattan argued that Howard would be

21 At the height of the crisis, Defence Minister Peter Reith asserted that he possessed video evidence demonstrating that asylum-seekers had thrown their children into the sea in an effort to be picked up by Australian vessels. No such unambiguous evidence was ever produced. Robert Garran, “Reith video not coming soon to a screen near you”, The Weekend Australian, 27-28 October 2001, p. 4.
27 See, for example: Virginia Marsh, “Australia’s uncertain place in the world”, Financial Times, 9 November 2001, Online version; Seth Mydans, “Which Australian candidate has the harder heart?”, The New York Times, 9 November 2001, Online version. So novel was the interest about Australia in America — the country with which the Howard government had most assiduously sought to reengage — that the editors of the influential Los Angeles Times in its disparaging review of Australian policy initially failed to even get the Australian prime minister’s name right. See “G’way mate”, Los Angeles Times, 7 September 2001, Online version.
29 Peter van Ham, “The rise of the brand state: The postmodern politics of image and reputation”, Foreign Affairs, 80 (5), pp. 2-6.
remembered primarily “for buying [electoral] success by ruthlessly exploiting Australia’s recurring xenophobia”. 30 Former Liberal prime ministerial candidate John Hewson was even more forthright, describing Howard’s approach as a “victory of prejudice over policy”, which “tapped a latent racial prejudice in significant sections of the Australian community”. 31 Former Prime Minister and principal architect of Australia’s closer engagement with Asia, Paul Keating, reinforced this view by suggesting that “Howard’s insular creed has led Australia down a pathway which is backward, exclusive and insular”. 32 For a settler society, which had until relatively recently operated a racially based immigration policy, and which — under previous administrations, at least — had consequently been at pains to reinvent itself as a multicultural society, the refugee crisis threw up some especially discomfiting questions. As prominent social commentator, Phillip Adams, asked, what would the response of the Howard government have been if the would-be refugees had been white, or even Christians fleeing persecution in Indonesia? 33

It is hard to escape the conclusion that the government ruthlessly exploited the “refugee crisis” and a well-documented and electorally significant fear of foreigners to bolster its election chances. 34 The government was assisted in this enterprise by an opposition leader who, as one observer put it, “having so spinelessly capitulated to the substance of Howard’s brutish refugee policies is left with nothing else to say”. 35 Of most significance for the purposes of this essay, however, is that even in the more traditional and compartmentalised context of inter-state relations, the overall impact of the Howard government’s refugee policy — with the complicity of the Labor opposition — was to help unravel the Asia-oriented policies of the Keating years. As the foreign editor of The Age argued, Howard’s response to the refugee crisis “has risked undermining forty years of diplomacy aimed at convincing the world that White Australia is dead”. 36 Policy appeared to be increasingly driven, not by a far-sighted, objective and judicious calculation of Australia’s “national interest”, of a sort trumpeted by the Howard government’s own foreign policy blueprint, 37 but by a much narrower short-term calculation of its own electoral interests and the perceived need to pander to a radio audience, serviced and occasionally inflamed by, unelected and reactionary “shock-jocks” 38

30 Michelle Grattan, “Touching the race nerve may sink PM’s legacy”, Sydney Morning Herald, 9 November 2001, Online version.
37 See Commonwealth of Australia, In the National Interest: Australia’s Foreign and Trade Policy, (Canberra, 1997).
38 Influential media commentators like Alan Jones have become one of the Prime Minister’s favoured tools of communication and an important sounding board for “ordinary Australians”. A sampling can be obtained via the Department of Foreign Affairs and Trade’s web site, at http://www.dfat.gov.au/media/tampa.html.
By contrast, the Howard government’s claims that its refugee policies were designed to protect Australia’s sovereignty and maintain national security were generally greeted with a good deal of scepticism amongst the so-called “elites”. The Howard government has consistently sought to marginalise such critics as little more than a carping, parasitic intelligentsia that is woefully out of touch with the views of “mainstream” or “ordinary” Australians. In such frequently vituperative circumstances the chances of generating an informed and dispassionate debate about public policy generally or foreign policy in particular were fairly remote. In the even more fraught atmosphere that prevailed after September the eleventh when the government was presented with a more unambiguous security issue, opinion became even more uniform.

September the eleventh

In the wake of the terrorist attack on New York’s World Trade Centre, the conventional wisdom rapidly became that the world has changed forever. The existing order, it is frequently asserted, has been in some way fundamentally overturned. True, many Americans have lost their sense of insulation and invulnerability from the rest of the world. Likewise, the Bush administration was — initially, at least — forced to temper its growing predilection for unilateralism and reconnect with its allies in an attempt to contain terrorism, but many other elements of the international system, especially fundamental asymmetries of power, wealth and influence, remained unaffected either by the terrorist outrage itself, or by the subsequent actions of the United States and its allies. I shall consider the implications of the persistence of the old order later, but first it is important to detail Australia’s response to these events and its implications for its relationship with both the US and the East Asian region.

The Australian response

For some observers, the events of September the eleventh, were confirmation that the world is locked in a “clash of civilisations” of the sort depicted by the American political scientist, Samuel Huntington. According to this influential thesis, the world is composed of different civilisational groups which subscribe to distinctive and potentially incompatible cultural practices. Although such ideas have been subjected to widespread criticism, it is noteworthy that they have found their way into popular discourse and threaten to become self-fulfilling. In an Australian context, for example, the prime minister appeared to echo Huntington’s sentiments when he claimed that “civilised countries” needed to band together to defeat terrorism; not to do so would be “strategically inept and morally indefensible”.

Given Australia’s enthusiastic participation in earlier conflicts alongside the United States, it is unsurprising that the Australian government would rapidly signal its intent to play an active part in the “war on terrorism”. Despite the fact that, as The Independent pointed out, it is not actually possible to declare war on a tactic as opposed to a country, a coalition of predominantly Western states was rapidly assembled with this express intent. In reality, of course, it has been the US, and to a

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lesser extent Britain, that has played the central role in the subsequent conflict in Afghanistan. Australia’s contribution has been almost entirely symbolic. 43 Australia’s modest military capacity — stretched already by the commitments in Timor and its new role in “border protection” — could be of no real military significance. Despite this, Howard chose, for the first time, to activate the ANZUS treaty to add further legitimacy to Australia’s actions.44 Yet Australia’s negligible capacity to render significant assistance to the US made this gesture look rather theatrical, and one aimed at convincing a possibly sceptical Australian audience that ANZUS was, after all, still an important component of Australia’s overall security architecture.

If one of the intentions of the Howard government was to once again demonstrate its loyalty toward, and generally bring itself to the attention of, its current great and powerful friend, it was not successful. Partly as a consequence of the US’s own preoccupation with domestic rather than international affairs, and partly because of the Australian government’s obsession with secrecy, its contribution to America’s war effort went almost entirely unnoticed in the US itself. 45 The Australian government might argue that it was not interested in obtaining special favours as a consequence of its support, but it is important to recognise that Australia’s unfailing loyalty to American causes has not generated similar responses on the part of the world’s only superpower. There is, perhaps, nothing surprising about this, but it should be noted that the US offered Australia less than fulsome support in its own moment of crisis in Timor, nor, as we shall see below, did it accommodate Australia’s economic interests when they clashed with its own.

Still, if the Howard government’s main agenda was shoring up the nation’s, if not the Western world’s, security position in a high-minded civilisational alliance, it is important to ask how successfully this was achieved. When judged by the government’s own statements about the importance of single-mindedly pursuing the “national interest”, the benefits were not immediately apparent. On the one hand, Peter Costello, with an odd mixture of solemnity and pride, informed Australians that their country was now third (after the US and Britain) on “the list of terror targets”.46 In this regard, Southeast Asia was rapidly identified as a potential base for terrorist operations,47 further complicating Australia’s already problematic relationship with the region. At the same time that Australia was apparently assuming an unaccustomed prominence in the minds of international terrorists, within Australia itself, the government became increasingly concerned with secrecy and controlling information,48 a development that mirrored a troubling, wider international pattern.49

Indeed, one of the more unwelcome but predictable developments post-September the eleventh, was a general tightening of security, a concomitant diminution of individual liberties, and some surprising realignments of international relations. China and Russia may not have actively supported the US-led conflict in Afghanistan, but

they quickly moved to exploit the latitude it afforded them for dealing with their own internal “terrorist” groups.\textsuperscript{50} Even the Malaysian government of Dr Mahathir was able to improve its ties with the much abused “West” by positioning itself as a bulwark against radical Islam.\textsuperscript{51} At one level, therefore, the international security crisis generated some surprising potential positives for Australia’s regional relations. The US’s “war on terrorism”, and its concomitant insistence that countries should either express support for its position or risk the consequences,\textsuperscript{52} had the effect of aligning a number of disparate countries behind it, and at least temporarily nullifying earlier perceptions in the region that Australia was simply an American puppet.\textsuperscript{53} Given the negative reaction that the so-called “Howard doctrine” had received in the region,\textsuperscript{54} this was a rather fortunate by-product of the emergent, post-September the eleventh regional order. At a more general level, however, the fight against terrorism had the rather paradoxical impact of lifting repression in Afghanistan, while increasing it everywhere else.

\textit{The US alliance}

As America’s allies rushed to offer support and sympathy in the wake of what was indisputably an appalling atrocity, debate about the efficacy of the US’s response and the longer-term implications it might have for key allies like Australia, was notably muted. Even now, in some quarters it might be considered churlish at best, disloyal at worst, to subject the alliance between Australia and the US to serious criticism.\textsuperscript{55} And yet there are substantial grounds for questioning whether automatic, uncritical support for the US is either in Australia’s, or the wider “international community’s” long-term interests. Two questions are especially pertinent in this regard: first, is Australia’s own narrower national interest still served by its continuing and unswerving loyalty to the US? Secondly, is the US strategy likely to actually rid the world of terrorism, or to borrow a much-used phrase from George W. Bush, “defeat the evil ones”\textsuperscript{56}

Immediately before the events of September the eleventh, a number of prominent commentators had begun to raise important questions about the virtues and/or conduct of the relationship with the US from an Australian perspective — questions which remain relevant despite the terrorist outrage. An enduring problem with Australia’s general historical position, as Stuart Harris points out, is that “an unqualified expectation that we’ll support the US in any specific situation gives Australia little policy-making independence. Ultimately, another country could be deciding whether we go to war.”\textsuperscript{57} In a similar vein, Owen Harries wrote that:

[...], while the US is by historical standards a benevolent hegemon, a hegemon is what it is. Not only is its power vast, but it is concerned to use power — economic, military, “soft” — to create a


\textsuperscript{54} The Howard doctrine refers to the suggestion that Australia might play a supportive role in underpinning the US’s dominant security position in the East Asian region. See Richard Leaver, “The meanings, origins and implications of ‘the Howard Doctrine’”, \textit{The Pacific Review}, 14 (1) 2001, pp. 15-34.

\textsuperscript{55} Michael Duffy, “Joining up with Uncle Sam”, \textit{Courier Mail}, 22 September 2001, p. 35.

\textsuperscript{56} Stuart Harris, “Little brother’s free will”, \textit{Financial Review}, 5 September 2001, p. 54.
world in its own image, with institutions and rules determined in Washington [...]. It would be inappropriate and dangerous for a country of Australia’s limited means and interests to associate itself closely with such an enterprise. Above all, Australia should not put its trust in a “special relationship”. Such relationships usually exist principally in the imagination of the weaker parties and, even when they have some limited reality, they are incapable of bearing the weight of a serious clash of interests.  

The view of the Howard government is that the relationship is predicated upon a “common sense of values and common traditions”, which make any such clash of interests unlikely. But as former Prime Minister Malcolm Fraser observed, Australia might have a very different view of, and interests in, any future conflict between the US and China, for example — a position that might be better advanced by neutrality and restraint, rather than automatic, uncritical support. It might be argued that in the particular circumstances that obtain post-September the eleventh, Australia could do nothing other than express wholehearted and unequivocal support. But even if one sets aside the issue of whether Australia’s own security was directly threatened, there are larger questions about the appropriateness of the response to the crisis, and Australia’s participation in what is essentially a coalition of “Western” powers.

Although it is not appropriate or possible to provide a comprehensive analysis of the complex strategic and even moral questions that September the eleventh highlighted here, a couple of points are worth briefly mentioning. First, it is not at all clear that unleashing the enormous power of the American military machine was the first, best, or most appropriate option with which to deal with the present situation. True, few tears will be shed for the demise of the Taliban regime, but their replacement — at the cost of significant civilian casualties — by a government that, it is claimed, contains people responsible for killing some 50,000 people in Kabul between 1992 and 1996, is no great improvement. Moreover, it is reminiscent of the sort of strategic calculus that saw America support many other authoritarian and repressive regimes during the Cold War years. It is precisely the widely held perception that the US is responsible for the creation of an international order that is associated with major disparities of wealth and power, and which systematically privileges some interests and countries over others, that has created the conditions in which the likes of Osama bin Laden can find support. One of the more revealing and distressing responses to the original attack was the sight of Palestinians openly rejoicing in America’s pain. Until the circumstances —particularly acute economic and political marginalisation — that engendered such a reaction are addressed, terrorist activity is unlikely to disappear.

Solutions to such problems will plainly not be easily discovered or implemented. Their sheer existence, however, raises further troubling questions, especially for Australian foreign policy. Australian policymakers found themselves in the slightly bizarre and unsustainable position of enthusiastically supporting a war against an “evil”

60 Robert Fisk, “We are the war criminals now”, The Independent, 29 November 2001, Online version.
and oppressive Taliban regime, while simultaneously refusing to accept or assist those Afghans who sensibly attempted to flee such oppression. An especially tendentious justification for this morally and logically insupportable position was given by the Prime Minister who argued it was “possible” that terrorists “might use the path of an asylum seeker to get here”.63 It is not simply that such remarks betray such a disingenuous meanness of spirit and flagrant disregard for overwhelming evidence to the contrary that we should be concerned; it is that they display little sense of the larger issues involved in attempting to resolve both the refugee question and the increased threat posed by international terrorism. In keeping with the Howard government’s preoccupation with domestic issues and opinions, Australia is to be turned into a fortress to protect the position of those fortunate enough to find themselves on the inside. But as Paul Keating pointed out, Australia’s situation is in many ways a microcosm of a larger global question about how to deal with the destitute and stateless.64 It is precisely such people, of course, who frequently either become members of, or offer support to, terrorist movements.

Other issues
Despite the overwhelming primacy the occasionally conflated issues of terrorism and immigration assumed in the latter half of 2001, there were a number of other issues that merit brief mention. In a “normal” six monthly period, when questions of national security might have been expected to assume a less prominent position, more debate would have been generated by the sorts of policy issues that have come to dominate the foreign policy agendas of middle powers like Australia. Over the last couple of decades international economic relations, rather than questions of grand strategy, have taken centre stage, and the latter part of 2001 was something of an anomaly in this regard. Nevertheless, the more mundane questions of international economic diplomacy are arguably likely to prove of greater long-term significance to Australia, recent events notwithstanding.

As in the more narrowly defined security sphere, other foreign policy issues are not easily compartmentalised, and feed into both domestic politics and other areas of the foreign policy agenda. Once again, this has much to do with Australia’s close relationship with the US, and the latter’s hegemonic position in both international security, and in the management of an increasingly global and interconnected economy. The US’s pre-eminent position militarily and economically consequently presents major challenges for allies like Australia. Although the US has created a liberal international economic order that is broadly supported by its allies,65 its dominant position means that it can flout its own normative prescriptions when it chooses to do so. This capacity was demonstrated with painful clarity when the US failed to take up Canberra’s offer of a bilateral free trade agreement.66

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64 Paul Keating, “Non-members gather at the gates of the kingdom of nothingness”, The Sydney Morning Herald, 1 November 2001, p. 16.
Ravenhill points out, the fundamental asymmetries of economic power, especially when overlaid with the perception that Australia cannot afford to antagonise its key strategic ally, have left generations of Australian leaders with no room to manoeuvre in trade talks with the US, despite the fact that US policy has direct negative consequences for Australian producers in agriculture and manufacturing.

Yet even in the unlikely event that Australia could secure a bilateral agreement with the US, it is not clear that this would be an unqualified boon. Ann Capling makes the cogent point that not only will trade with the US almost certainly remain “managed”, but that the US only accounts for about 10 per cent of Australian exports anyway; such a deal might create problems with the other 90 per cent of Australia’s export markets. Moreover, Capling reminds us, significant improvements in access to the US market have come about through multilateral rather than bilateral negotiations. Australia’s best chance for securing general increases in market access generally and in the agricultural sector in particular, looks to be via the World Trade Organization, which, theoretically at least, has the capacity to enforce agreements on even the US. In reality, however, and in a manner that once again highlights the interconnected nature of domestic and international policy, the most likely source of a change in US policy is, unsurprisingly, Americans themselves: the creation of a powerful, pro-free trade lobby in the US that includes 80 of the biggest companies in the US looked much more likely to influence US policy in ways that suited Australia than anything Australian officials could do on their own.

The government was given other reminders of just how powerful big business could be — be it “foreign” or “Australian” — and just how complex economic policy making had become in a global era as a consequence. On the one hand, for example, Mitsubishi motors used its economic clout and electoral significance in Australia to lean on the government for yet another bail-out of its struggling South Australian plant. On the other, and not to be outdone, Australian-based companies exploited the opportunity provided by an all too brief debate about Australia’s possible status as a “branch office economy” to demand government assistance. What Greg Sheridan described as “a disgusting and self-interested campaign, led by corporate figures who should know better”, was eclipsed by events elsewhere, but still managed to extract promises from the government to look at regulatory and taxation issues that affect business. Despite the government’s consistent rhetorical endorsement of

“globalisation”, balancing competing national and international interests in an increasingly integrated world order was proving ever more difficult. The collapse of Ansett airlines and the Australian government’s suggestion that Air New Zealand and the New Zealand government were largely to blame, led to some acrimonious trans-Tasman tensions.

Yet the most complex and sensitive of Australia’s regional relationships remained that with Indonesia. As noted above, an already difficult relationship was further complicated by Australia’s ill-considered refugee policy, a policy which some high-profile Indonesian observers claimed had reduced Australia to the status of an international pariah. Before this, however, substantial progress had been made in repairing a relationship badly damaged by the earlier Timor crisis. Much of this improvement, it should be noted, was due to the efforts of former President Abdurrahman Wahid, whose on-again, off-again, visit finally took place in late June. The real significance of this was that he came at all, as Howard and Downer had “decided long ago [that] the relationship must be rebuilt, not by Howard going to Jakarta, but by Wahid coming to Australia first”. Wahid’s actions overcame this potential impasse and opened up the possibility that Australia-Indonesia relations could dramatically improve under his successor, Megawati Sukarnoputri.

Initially, they did. John Howard’s August visit to Jakarta was the first by a foreign leader since Megawati took office, and considered by some a “masterstroke in diplomacy.” Certainly, the visit seemed to signal the beginning of a new era, one in which, National Assembly Chairman Amien Rais claimed, “the problem of East Timor is over”. The possibility that Timor would be less of an irritant between the two countries was enhanced by Australia’s successful negotiation of the new Timor Sea Treaty with East Timor, an agreement that guaranteed the emergent nation 90 per cent of the oil and gas in the Timor Sea, and the possibility of a degree of economic independence. This was not an entirely selfless gesture on Australia’s part; not only was the Australian government relieved of the possible burden of an impecunious neighbour on its doorstep, but Australian companies were set to benefit significantly from plans to develop and exploit this rich resource. Despite a relatively auspicious start, therefore, the fragility of the relationship with Indonesia was revealed under the pressure of the refugee issue. Yet, Jakarta’s outright rejection of the “Pacific solution” notwithstanding, the fact that Indonesia has taken the lead in initiating a regional dialogue on the problem of illegal migration is an encouraging development that the Australian government would do well to support.

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Also in August, John Howard visited Australia’s most important economic partner, Japan, an event that was somewhat overshadowed by Foreign Minister Alexander Downer’s premature revelations about a possible new strategic relationship involving the US, Japan and Australia. Whatever the possible merits of such an initiative, the net effect of Downer’s actions was to alarm China, which rightly saw itself as the principal target of the proposed grouping, despite strenuous avowals to the contrary. Foreign Minister Downer also managed to ruffle some especially sensitive diplomatic feathers in the Association of Southeast Asian Nations, by gratuitously suggesting that the grouping had “a culture of working around problems rather than confronting them”, and that the expansion of ASEAN to include Vietnam, Laos, Cambodia and Burma had “weakened” the organisation. All true enough, perhaps, but hardly guaranteed to win friends and influence people in a part of the world from which Australia had become increasingly disengaged under the Howard government. Indeed, according to three of Australia’s most prominent commentators on, and architects of, Australia-Asia relations, by the end of the period under review here, “Australia’s official relations with the Asia-Pacific region are more fragile and less productive than at any time for several decades”.

Concluding Remarks

At the time of writing, the longer-term shape of the US response to the events of September the eleventh has become clearer. All too predictably, the central plank of the new order is to be a massive increase in defence spending. While there might be something to be said for a well-directed fiscal stimulus at a time of economic downturn, this is plainly not the objective. More importantly, the proposed measures look unlikely to attack the sources of America’s — or by extension, Australia’s — perceived insecurity. Greater expenditure on increasingly sophisticated military hardware would seem unlikely to be effective against, let alone deter, what are often broadly-based, if frequently incoherent, social movements rather than states. The present situation, therefore, the actions and defeat of the Taliban notwithstanding, is not primarily a struggle between competing states in which the “normal” calculus of military supremacy is appropriate. Long-term efforts to curb terrorism need to address the circumstances that encourage it. As no less a figure than US Secretary of State Colin Powell — hardly a bleeding-heart liberal — rightly observed, “terrorism really flourishes in areas of poverty, despair and hopelessness, where people see no future”. Quite so. The question is, what strategies are likely to

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86 Craig Skehan, “Downer denies dialogue is attempt to contain China”, Sydney Morning Herald, 1 August 2001, Online version.
generate greater optimism in the hearts and minds of the marginalised? It is safe to predict that carpet bombing, poorly targeted economic sanctions, or support for repressive regimes are unlikely to be among them.

Both terrorism and illegal migration are, in their different ways, urgent, unambiguous expressions of profound unhappiness with the prevailing international order. In such circumstances, and given the evident ineffectiveness of sheer military might in providing enduring solutions to such problems, there is a powerful argument for a little lateral thinking, no matter how superficially naïve it may appear. It is worth asking what sort of response might have been generated if the proposed $100 billion boost to defence spending had instead been allocated to addressing some of the developing world’s all too numerous problems. Incredulity, probably. But the attempt to do something constructive, even if only partially successful, might have gone some way to changing the widespread perception that the world as currently configured works mainly in the interests of a privileged minority in the West.

Australian foreign policy has the opportunity to play a more constructive and prominent role in international affairs than is usually the case. An approach that demonstrates a more compassionate attitude to asylum seekers, combined with regional initiatives to address common problems cooperatively, might do wonders for Australia’s position in the region — as well as helping to resolve a divisive domestic issue. Likewise, a more independent, less unthinkingly compliant attitude toward the US might encourage a more far-sighted American approach to resolving enduring systemic problems, not to mention giving Australian policymakers a little more leverage in bilateral trade negotiations. At a time when there are powerful incentives to utilise its overwhelming military advantage, but when there are also serious doubts about the long-term efficacy of such an approach, the counsel of a supposedly valued ally might be useful in helping the US develop alternative, possibly more effective, responses to what looks like being one of the defining issues of the new century.