

Foreign Policy White Paper 2017

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Introduction

This submission addresses the issues of the primary importance to us of the Asia-Pacific region, our interests and values, who we are and our image, the need for an independent foreign policy, the US alliance, regional engagement, our multilateral and international legal commitments, and aid and development assistance. It puts the views of the author, an active practitioner in international affairs.

The role of foreign policy

The fundamental role of Australia's foreign policy is to protect and promote Australia's national interests within the global community of which we are part.

Our region

While recognising we are part of a global community, the Asia-Pacific region is the area of primary importance to us for political, economic and national security reasons.

Geographically, this region reaches from South Asia through to North America. It includes India, China, Japan, South Korea, Russia, the US and Canada. It also includes Indonesia and the other ASEANs, as well as New Zealand and those Pacific Island states in the South West Pacific. Also included are critical sea lanes for international trade, especially the Malacca Strait and South China Sea.

This region is home to more than half the world's population, it is the new engine room of the global economy, and the region encompassing most of our two-way trade and investment. Also, more than anywhere else, any major event and most other events that occur in this region, inevitably, will affect at least some, potentially all, of Australia's national interests, directly or indirectly.

The Indo-Pacific region is also important to Australia, but in relative terms, less so than the Asia-Pacific. This region overlaps with South, East and S.E. Asia and extends vital two-way sea lanes westward to include oil supply routes from the Middle East and sea trade access to and from Europe. These western reaches are also where most ADF overseas operational deployments have occurred during the past decade and a half (e.g. Afghanistan, Iraq) in support of UN-mandated or other alliance commitments. But the region's eastern boundary stops mid-Pacific, and most significantly, excludes North America.

Australia has important interests also in Europe, Latin America and Africa. These include trade and investment, and multilateral commitments through the UN and other organisations that contribute to global order and humanitarian requirements.

Our values and interests

These include:

- protecting Australia's homeland security from threats by other states and foreign non-state organisations. These threats include physical invasion, terrorism, espionage, cyber, nuclear, chemical and biological threats, and threats to our resources and the environment generally. (Foreign policy will share this space with other domestic inter-related policies e.g. defence, counter-terrorism, cyber, resources, environment, etc.)
- enhancing regional and global peace and stability and an orderly structure of national and international behaviour through:
 - promoting our values, including the democratic principles of government, good governance, human rights, and respect for international laws and rules of behaviour;
 - the provision of foreign aid and humanitarian assistance as required; and
 - bilateral and multilateral alliances, partnerships, agreements, or other commitments to other states and international organisations.
- ensuring fair access to foreign markets and the freedom of movement of trade by land, sea and air.

Who are we, our image

How we project ourselves to and our ability to influence other countries as a consequence, is largely dependent on how they see us, not how we see ourselves or would wish or think others see us.

Australia projects many very positive attributes: we are a stable nation, committed to freedom, are a fully practising democracy, we believe in human rights and equality, and ensure that all our citizens share in our prosperity. We are increasingly multicultural, tolerant of other cultures, religions and peoples generally, and believe in giving everyone a 'fair go'. We see ourselves generally as a land of opportunity with no gender, caste, racial or religious barriers to personal progress. Any citizen can get to the top, be it in government, business or in a societal context generally.,

Many, especially in our region, envy us for these values and attributes. It is these that underpin our international standing, our foreign policy, our clout and ability to often out-perform in terms of influence relative to our size.

However, some amongst our neighbours doubt that we can retain this high standing in future. Our region is rapidly changing, politically, strategically and economically. Shaping our place in the future requires knowing who and what we are, where we want to be, and having the smarts to get there.

To some, we project as a state without a national vision or clear plan for our future, especially economic, and especially in our changing region. We are not universally seen as a good advertisement for the benefits of democracy; we have a revolving door of Prime Ministers, and our elected representatives are seen as preoccupied with gaming politics at the expense of any national vision and planning.

We are seen as a 'lucky' country, gifted with agricultural and mineral resources, a minimal secondary industry, but a relatively strong tertiary industry. However, we are not seen as strongly innovative or focussed on positioning our resources and other assets for the future, especially to accommodate environmental and technology change. Some also believe our tertiary industry will take a hit, as those skill-sets are increasingly targeted by and added to the inventories of other states.

In OECD terms the expectation is we will slide backwards relative to some other regional states, and as a consequence, our importance and influence could also diminish.

Whatever our future holds politically, strategically and economically, a constant will be change, and change means challenges. Nationally, we must ensure our statecraft matches those challenges. We must shape our foreign policy accordingly to maximise our interests and influence.

An independent foreign policy.

Australia's ability to project as a strong, credible and independent state requires that we must have, and be seen to have, an independent foreign policy. Where other states share the same or similar values and interests, our policies and decisions may be the same or similar. Equally, where our values and interests differ, our policies and decisions may also differ. But in all cases we need to be clear in our own mind what our values and interests are so that we can explain these, and related decisions, in a manner that enables others to understand.

Understanding may not mean agreement; we can agree to disagree with others but hopefully differences will be respected. Understanding the basis of respective policies and decisions also provides scope for representations to influence change, by us, by them. Where change occurs on our part, because of changed interests or other pragmatic reasons, these reasons also need to be understood. And that understanding applies as much to Australian as to foreign audiences..

What Australia must avoid is being seen as simply a foreign policy puppet, a so-called 'deputy sheriff', and devoid of independent thinking. Being, and being seen to be independent, and not simply taken for granted, is an essential foreign policy asset.

The US Alliance

US policies and interests arguably have more influence on Australian foreign policy in the political and strategic space than any other nation, or group of nations. ANZUS is the cornerstone of our national security.

Much comment has been made in the media and elsewhere of uncertainties about the US 's future commitment to Asia, and ANZUS, following the election of President Donald Trump. These uncertainties predate Trump, but again serve as a reminder that we cannot take the alignment of US and Australian interests and policies for granted. Most will align and overlap, but some may not, and have not. We must allow for this and respond pragmatically accordingly.

If the US pursues some disengagement from Asia, we must be prepared to work unilaterally and multilaterally with regional neighbours to fill any gap. If differences arise, for example on a proposed response to possible tensions between China and Taiwan, we must be prepared to explain these to

the US, and others, and exercise our independence where it is clearly in our interests to do so. And where an issue arises demanding Australian leadership, such as within the archipelago of primary strategic interest, we must demonstrate our willingness to take that initiative, and not wait on others. Other states will respect us for this.

The above will apply as much to political and other circumstances, as to commitments under ANZUS.

There is no reason to believe that the viability of ANZUS will be seriously challenged in the foreseeable future. ANZUS is not an iron-clad guarantee of military commitment whatever the circumstances, and never has been. ANZUS comes with a strong good-will factor, at both the professional and personal levels, which includes the added price of 'club dues'. We need to factor that price into our foreign policy, albeit selectively. We do need to be more critical in our decision-making about committing ADF resources, especially to some out-of-region non-UN mandated politico-military operations.

Considerations for any such deployment, under ANZUS, Five Power arrangements, the UN or other must include a clear understanding of our reasons for making that commitment, the political end-game for involvement, its duration and what practical outcomes we expect to contribute to the end-game. The end-game is of fundamental importance. Too often military commitments are made with no more than minimal attention to a sustainable political outcome. Shaping, or partnering in shaping that outcome must be part of our foreign policy, and we must ensure we have the essential political/military statecraft skill-sets required.

Engagement within Asia-Pacific

Positive and pragmatic engagement throughout our region is critical for both protecting and promoting our interests, and for shaping our future as a nation-state. Such engagement must cover the full political, economic, strategic, military, and cultural spectrum, and must be both bilateral and multilateral.

Perhaps the most fundamental characteristic of our region is its diversity - the diversity of its peoples, cultures, religions, political systems, land, resources and economies, and thus its values and interests. The challenges to ensuring peace and stability across the region are enormous. In setting and applying our foreign policy we must demonstrate understanding and tolerance of this diversity, but insist on regional governments accepting and adhering to an international rules-based order as the framework for resolving differences and disputes. Seeking to resolve China's territorial claims in the South China Sea will be a major challenge for us, ASEAN and other stakeholders. Closer to home, RAMSI proved a highly successful Pacific partnership model for addressing political challenges in the Solomon Islands.

There are a great many bilateral and multilateral arrangements facilitating positive interaction across the region. The multilateral, both regional and global, include ASEAN, APEC, EAS, the UN, the ADB, G20 and various trade and other associations, and provide Australia with a multitude of fora through which to engage regionally. All are very important inclusions in our foreign policy inventory and provide us with a diversity of means to engage the region.

Just how we do that will vary, but the application of Smart Power metrics is a very useful method of identifying and helping to shape our foreign policy and practices across both the bilateral and multilateral spectrum.

Promoting comprehensive people to people contacts, and two-way understanding, is as essential outside the formal framework of diplomacy, as within. Within Australia, we must ensure policies to promote domestic understanding of our region and its people through such basics as our education system, especially at both secondary and tertiary level. Tourism, other cultural exchanges and appropriate border entry policies are also part of the package.

Effectively projecting our values and interests to the peoples of the region is equally important. There are many means of doing so. Australian government funded radio and TV broadcasts, inclusive of English and foreign language news broadcasts, are especially effective. Improved effectiveness of foreign policy necessitates much greater investment in these resources.

Australia's immigration policies are also an important part of our values and interests. They are very relevant regionally, especially as increasingly a majority of our migrants come from the region. The attraction of Australia is who we are, warts and all. It is in our interests to maintain strict border control mechanisms to ensure our population intake and transition, including societal transition, is orderly, and our laws and values are accepted. Most regional countries envy us for this. But with migration comes change, positive change; our migrants will play a significant and increasing role in shaping our multicultural profile and domestic and foreign policies in future decades.

Other regions

This submission does not address other regions in any detail, but some comment is warranted on Central Asia and the Middle East.

Australia has little direct influence on events, politically or militarily, in these areas. Militarily, our ADF presence in Afghanistan is UN-mandated, whereas our current commitment to combat operations in Iraq and Syria is 'club dues'. In neither case is a sustainable political outcome predictable in the foreseeable future. In Afghanistan this is widely attributed to political outcomes being subordinated to military outcomes, and domestic political reconciliation being a casualty of this. In Iraq and Syria, it is the complexities of politics that dominate, including the overlay of ethnic, Sunni/Shia, and regional and non-regional stakeholder differences.

It is not intended here to debate the merits of either commitment, but to flag the need to assess very pragmatically our continued involvement, and work to an exit strategy.

Australia's major foreign policy contribution to the Middle East has been by multilateral means, especially the UN.

Multilateral & international legal commitments

Australia has a very long and positive track record of involvement in, commitment to, and achievement through multilateral organisations, including the Commonwealth, and especially the UN. These are very important elements of our foreign policy, including as a means for us to

influence international outcomes, especially where bilateral outreach would be less effective or simply impractical.

The UN through its charter, and international legal organisations through the body of international law and conventions, are key contributors to establishing, interpreting and maintaining the international rules-based system which is critical to regional and global order.

Australia's commitment to all, including legal rulings and findings, has generally been consistent and respected as such. However, our foreign policy inconsistency did not go unnoticed internationally between the statement by Prime Minister Turnbull in an address in Sydney on 22 February 2017 in which he said his government did not support UNSC Resolution 2334 of December 2016 rejecting the legal validity of Israel's annexation of Palestine land, and the Australian government's support for UNSC Resolution 68/262 of March 2014 rejecting Russia's annexation of the Ukraine, and support for the finding in July 2016 by a Tribunal of the Hague-based Permanent Court of Arbitration that rejected China's territorial claims in the South China Sea, based on island building.

There will be occasions when a particular Australian government will disagree with external findings for their own policy reasons. It should also be noted that multiple governments in Australia have been challenged by the IHRC over aspects of policy, for example the detention of refugees offshore. Australia has justified its position on overriding domestic policies. Such circumstances are part of the foreign policy mix.

Overseas development assistance

Australia has consistently been a generous donor of aid and development assistance, including humanitarian assistance in response to national disasters. Our current ODA expenditure is about 0.33% of GNI, or some \$4 billion annually. Funding is necessarily dictated by the state of the Australian economy, and thus national affordability. For this reason, this submission does not support mandating a given percentage of GNI in ODA, but does support target funding of some 0.5% when economic conditions allow.

While recognising the importance of continuity in many ODA programs, for practical reasons the level of funding, and types of ODA funded, must be flexible.

Some basic principles should apply to all grants, notwithstanding challenges to their implementation. We should ensure any form of aid or development assistance is effective i.e. it reaches the people with most need, and maximises the targeted benefits. We must ensure any associated 'administrative' costs in the target country are minimal and acceptable, and opportunities for corrupt exploitation are minimised. Australia should not be reticent in giving tied aid, or partnership aid requiring the receiving country also to allocate substantial resources to demonstrate their commitment to the designated project. We should not be reticent in objectively reviewing the progress or outcome of any project. Accountability and transparency must be part of the package.

ODA is a powerful tool in the foreign policy inventory. It can serve short and long term interests, directly benefitting the recipient, and often indirectly the donor. It should be used wisely and effectively.

Conclusion

Foreign policy is a highly important tool of state. It shapes our interactions with others and directly impacts on our national well-being. It is important we possess and exercise the required statecraft wisely and effectively in our national interest.

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27 February 2017

Ian Dudgeon served from 1965 until 1997 in the Defence and Foreign Affairs and Trade portfolios. That service included overseas postings in diplomatic missions in Malaysia, Chile, Thailand and Japan and senior appointments in the Australian intelligence community. Since 1997, he has been an active member of several Australian think tanks, and served as ACT branch president and on the National Executive Committee of the Australian Institute of International Affairs (AIIA). He is a presidential associate of the AIIA and continues to research and report publicly on international issues.
