CHAPTER SIX

CONCLUSIONS

Australia remained a mystery for many years. Its identity and role in the Asia-Pacific region stayed traditionally weak, vague and ambiguous. Its strategies of response to this situation varied from dependency and reliance to the search for self-reliance and independence in decision and actions. Comprehensive engagement with the region has been its weapon to adjust itself with the changes over the years. Having reconciled with changes, Australia tried to take advantages of the proximity of geography, changes of technology and the need for greater involvement with Asian countries. Australians have become *themselves* instead of being addressed to as the *English*. The much of the old Britain-worship and reverence for them is disappearing. Reason reigns supreme today. Several tracks are visible for economic, political and strategic awareness in the paths of comprehensive engagement. Australia’s credentials as a democratic nation, with no colonial legacy and ulterior motives lay its foundations for interactions. Bipartisan approach characterizes its role abroad, international relations, and trade.

Relations with Asia have come to the center of Australia’s foreign policy. Australia, which was once drawn to Southeast Asia, because of what came to be the ‘downward communist threat’, and American involvement in Vietnam, has developed interests of its own over the years since then. If hypothesis outlined in the opening chapter are examined against the presentations of Australia’s engagement with the region through the cultivation of linkages in economic, political and strategic areas, in the preceding chapters, the study establishes that there is a positive correlation between the building of linkages and engagement with the countries in the region. Cooperation in one sector has led to cooperation in another, paving the way to intrude into other sectors, thereby further widening, enlarging and deepening the bonds of relations. This trend even seems to have created temptation to look to the region jointly and beyond. However, the study also
reveals that Australia-Asia link policy does not remain a smooth sailing, despite long years of engagement.

Australia inherited from Britain the institutions of democratic government and rule of law. The reliance on great and powerful friends occupied the mindsets of Australian policy makers for long. A web of institutional links were created before 1972 such as ANZUS, the Colombo Plan, the Southeast Asian Treaty Organization (SEATO), the Asia Pacific Council, the 1957 Australia-Japan Trade Agreement, Five Power Defense Arrangements (FPDA) of 1971 etc. These mechanisms, which were at the forefront of the Australia-Asia relations, bringing Australia into contacts with Asian countries, were strengthened by additional links in subsequent years.

The changes in 1970s provided an incentive to engage in a general reappraisal of foreign policy, and for a comprehensive stocktaking of past policies and general introspection of future alternatives. In 1972, Australia under labor government made a radical shift from British Imperial view of the world to a policy of look to Asia, from inward looking mind to outward looking, from a feeling of largely isolated and irrelevant outpost to an identity with the Asia Pacific region. Australian governments, in 1980s and early 1990s, enlarged those initiatives and reoriented their activities towards Asia - in diplomacy, defense, trade and investment promotion, and cultural and aid relations. Increased cultural, legislative, and diplomatic exchanges along with greater economic interactions created web of linkages and put the engagement on sounder footing. These meetings helped to establish personal rapport, advance negotiations, form common position on global issues. These engagements bind Australia with Southeast Asia in a spiral of cooperation.

The shift in foreign policy to multilateralism and regionalism was more evident in its economic contents. Constructive and cooperative engagement in political, economic and security issues comes through APEC and ARF. They demonstrate as effective means of cooperative, constructive and continuing engagement, widening and deepening Australia’s relations with East Asia, and establishing a new framework for its foreign
relations. APEC deliberations pointed out that Australia significantly integrated in economic terms into the Asia Pacific than any other Western industrialized state with significant economic and strategic benefits. The conduct of policies along these lines demonstrated that Australia has grown self confident, played more assertive role and judged issue on merit basis, triggering a proactive approach in foreign policy. This approach has made it play an active role in regional affairs.

Regional engagement became the highest foreign policy priority of successive governments in Canberra. The tide of regional commitments and encounters gathered distinct visibility. This detour transformed the tyranny of distance into the advantages of proximity with the region. Comprehensive engagement has seen the unlocking of opportunities across the region. The cultivation of political, strategic and economic linkages with the region has paved the way to increased cooperation and understanding.

The period from 1975-93 witnessed the mapping of the course and laying the foundation of Asia policy, to link Australia even more comprehensively with Asia. In these years, Australian diplomacy remained active in appearance and substance. Ministers acted proactively and demonstrated impressive leadership in international forums. Australia’s use of three pronged strategy of development assistance, diplomatic efforts and strengthening of international cultural exchange paved the way for incremental shift of public opinion. The strategies for push into Asia appear to be a blend of penetrative, reactive, diffused and emulative processes. The process ignited debates over a host of issues at home such as whether Australia was ‘old’ with a link to mother England or ‘new’ with Asian approaches, old world of security or new concept of self reliance policy, old world of economy or new concept of open economy, redefining its identity and relocation in the region, whether in Asia, part of Asia, belonging to Asia or to the region, whether Anglo-American or Asia-Pacific. The analogy to a ‘rite de passage’ continued to be discussed. Issues of migration, race, defense, economy, people to people interactions, relations with the West, ties with Britain and British Queen as its head of State etc figured prominently on the domestic front. Ties with Asia figured prominently in 1993 and 1996
elections with Prime Minister Keating cautioning the public that Asian leaders would feel uncomfortable with the coalition leaders.

The process also brought the public diplomacy to the fore, which created avenues on various fronts for interactions with the region. Prime Minister Paul Keating made the engagement policy more evident and aggressive, with Foreign Minister Evans at the forefront of Asia policy. The attempts, arrangements, and institutions created during the period of this study helped transform the image, identity in the eyes of Asians and understand intentions and priorities of Australian foreign policy. Australia’s engagement in cooperative partnership with nations in the region is a demonstration of this approach. This has pushed Australia into the processes of socio-economic globalization, total engagement with Asia and the internationalization of its economy.

6.1 Political Role

A cooperative framework emerged following the end of the Cold War. Deepening dialogues and interactions replaced outdated perceptions and approaches. Partnership among nations widened relationships, brought government, business and people together. Australia’s involvement in the settlement of the Cambodian problem acted as a catalyst for interacting with different actors. Australia demonstrated the art of persuading the warring factions to come to the table in the long and arduous settlement process. It played critical role, spent enormous diplomatic energy, and achieved a measure of success. It followed accommodating sanctions in place of confrontational sanctions, and engagement of nations rather than isolation of them. It emerged better suited to handle the type of negotiations than any other powers including Americans. Its initiatives to arrest the drift in the peace process and reactivating momentum to bring to a conclusion of the comprehensive settlement remain laudable. Australia’s imaginatively crafted, energetically and sensitively pursued initiative brought to an end the killings and sufferings, which had so plagued Cambodia’s modern history and remained a source of international discord.
Interactions caused the realignment of relationships and incorporation of Vietnam in ASEAN mainstream. This inclusion was taken as a counter weight to China in view of the contesting claims of nations over the oil rich Spratly and Paracel islands in South China Sea. Australia’s interests appeared not to let conflict spill over in the region.

Australia acted as the most influential constructive cooperator with resourceful ideas. Its ideas created two regional institutions namely APEC and ARF providing platforms to put forth ideas, enhance political role, and institutionalize links with Southeast Asia. Added to these pillars constructed for engagement with Asia are Australia’s initiatives to ban mining in Antarctica, collection of countries committed to the liberalization of agricultural trade under the Cairns Group, promotion of the Comprehensive Test Ban Treaty, the conclusions of the Chemical Weapons Convention etc. All these initiatives demonstrated their successes through exchange of ideas, opinions, and greater and deeper understanding of the needs and requirements of each other. These meetings helped affect changes in the mindsets at all levels on multidimensional fronts. The study showed that cooperative partnership was more penetrating in the process of engagement.

6.2 Economic Role

Economic interactions demonstrate that Australia has been active at all three levels – global, regional and bilateral. This shows Australia’s destiny being irretrievably associated with the region’ and inextricably linked to each other. The opening of national economy, doing away with protectionist trade, rigid labor market laws, cutting tariffs and deregulation of state owned industries unlocked gates for intercourses with the outside world. Issues of interdependence get linked to political and security considerations. Study showed that solid foundation of engagement was laid through Australia’s determination and deep commitment to open competition, and multilateral trade. Cooperative actions in cultural, educational and scientific fields were helpful in fostering a sense of community.
Australian Government launched APEC with a vision and brilliance. APEC formation indicated the decisive shift of gravity of world economic activity from the Atlantic to the Pacific. The region remains one of the fastest growing regions in the world and major contributors to global prosperity and stability. APEC stands as a major piece of architecture, and provides a beacon to free trade and investment. Australia's working with 20 other major economies - fastest growing and most dynamic in Asia Pacific have built links, sustained and strengthened them. APEC process has introduced a wider spectrum of cooperation in stimulating integrative forces and global governance. Periodic meetings are moving towards greater harmonization. The process has been vigorously used to foster reforms, expand trade and investment opportunities.

When leaders meet, they discuss their problems, engaging in future oriented partnership. The forum has helped them to establish good personal relations. It has enhanced Australia's global standing as an advocate of free market. It has also produced a significant new momentum toward an open global trading system for 21st century. Along with trade and investment, finance, and governance, APEC as a forum is also increasingly dealing with security matters. Auckland meet of the leaders was conveniently used to deliberate and discuss the tragedy in East Timor and reach a conclusion. The decision to end the tragedy was reached because APEC existed and provided a convenient forum and an opportunity.

6.3 Security Role

Australia once tied to security architecture that had its origins in the Atlantic theatre with a heavy degree of reliance moved to embrace the concepts of self-reliance and cooperation, and defensible Australia from the 1970s. The shift was in response to imperatives enunciated by Nixon Doctrine, also known as Guam Doctrine. In this journey, Australia skillfully combined the policies of greater self-reliance, enhanced dialogue and

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cooperation. It has made practical contributions in erecting security arrangements in the region. It is seen as a part of developing multidimensional approach to regional security based not only on politico-military capability but also on diplomacy, economic links, development assistance for non-military threats to security like narcotics and refugees, educational and cultural activities and the exchange of people and ideas. The network of these linkages cultivated over a period of time has broadened political, economic and strategic relations. Australia remained active in the creation of multilateral structures like ARF for confidence building, conflict resolution and preventive measures. The possibility of Australia acting as regional spokesman has surfaced lately, and this needs to be examined in the context of assisting neighbors to strengthen the peace, security and order.

Australia, as suggested by defence experts, needs to consider its defense policy on three fronts: domestic or political, external and economic. On domestic front, there is a basically bipartisan approach to defense policy. No longer the ideological division in Australian domestic politics mars national politics. Both parties agree on the continuing importance of the US alliance and of the necessary of closer defense relations with immediate neighbors.

On external front, though no foreseeable military threat to its security seems visible, strategic environment needs careful monitoring. Since 1995 December security agreement with Indonesia stands abrogated, the uncertain strategic outlook unfolding needs to be watched. Priority shall have to be given to the building of naval and air capabilities. Some innovative approaches as advocated in 1994 Defense White Paper need to be carefully considered. Given its small population and large area of defense responsibility, Australia will have to prepare itself to maintain a technological edge in areas like area surveillance, air defense, combat information and electronic warfare.

Australia played an active, often catalytic and influential role on a number of political, economic and security issues which include regional security, Cambodian settlement, convention to ban the production, transfer, development and use of chemical weapons, and reforms and improved effectiveness of the multilateral trading system. Its
contributions to conclude the Treaty of Rarotonga establishing a nuclear free zone in the South Pacific, continuing efforts to the realization of CTBT and NPT have been remarkable. Australia favored the regional grouping ASEAN to advance the process of regional cooperation. It also worked for track two dialogues consisting a set of discussions among non-governmental and quasi-governmental actors. The track two route has helped enhanced regional transparency and confidence building.

Australia’s interactions and building a web of linkages in various sectors with the countries in the region during the period of this study demonstrate that it has accepted increasingly the dictates of geography and finding a common cause with them. It has established itself as a concerned, constructive and innovative member of the world community.

Australia is seen no more as an appendix nation. Neighbors and the world do notice the contributions of Australia. No body in the region will deny the importance and role of Australia with regard to the regional economy and security policy. There does not appear any ground to question the good intentions on the part of Australian governments. The evolving history of current transpacific economic and security interconnectedness in the Asia Pacific region does not become complete without explicit recognition of the Australian initiatives and contributions. This testifies that Australian foreign policy over the years has been pragmatic, and fully integrated within a bilateral-regional-multilateral network with the countries in the region.

For Australia, Asia remains a region of great interest, challenge and opportunity. Government documents describe the Asia-Pacific as ‘the region of highest foreign and trade policy.’ It is the region where its economic links remain vital. Its interest, as was remarked by the then Prime Minister Paul Keating in 1995, has a much broader focus and much wider purpose.
6.4 Suggestions

To win Asia and fully enmesh itself, Australia needs to pursue rigorous efforts. Permanent machinery should be set up to address the nexus between cultural, economic matters, defense activities and regional security developments. More economic growth, capital generation, advanced technological products and processes would help sustain these interactions. Research, closer dialogue, analysis and information exchange will reinforce these linkages. Strengthening the pool of analytical skills on Southeast Asia in business community and in academic institutions would be of great support to understand the region.

Australia can share its prosperity and strength, technology, and democratic traditions. Australia with mountains of natural resources will remain a very important country. In case of a distance growing between Japan and USA, the narrowing of gap between Japan and Australia may be one of the prominent emerging features of Australia’s foreign policy. Australia with its matured diplomacy may emerge as a regional arbiter, active player, helpful and sensible, in bridging hostile divisions in the Southeast Asia and East Asian regions, and promote cohesion. Its role as between the East and West will be of pivotal importance internationally. Its unique intersection of being ‘a Western nation next to Asia with strong links to the United States and Europe’ increases its usefulness to act as a bridge between the East and West. With its European and Asian language skills, cross cultural expertise and professional abilities in managing a large complex and modern economy, it can project itself as a good interlocutor.

Australia’s drive into Asia is forging closer links. There seems unlikely for Australia to put Asia-first policy on the background and join EU. Though at times Asia’s refusal to embrace Australia is reported, engagement policy over the years has shown that Australia has deeper interests with Asia. Australia’s involvement in Asia-Pacific region
has been described as ‘inevitable, irreversible and probably even desirable’. Australian cities can provide for seats of regional headquarters of major international businesses owned by Europeans, serving as a bridge between Europe and Asia.

Professional analytical surveys of economic conditions and trends in the region on a periodic basis, introduction of Special Visitors Programs and Trade Facilitation Fund Scheme, maintenance of a database to keep track of Southeast Asian alumni who studied at Australian Universities also could serve as links between Australia and Asia. Programs to expand involvement in Southeast Asian markets could be of great assistance.

Asian Australians with their hard work have excelled themselves in various fields in Australia. They have acted as bridge builders between Australia and the region. The harnessing of their skills, talents, and diverse abilities could be an asset in the process of integration of Australia in the Asia-Pacific region.

Australia’s capabilities should be aimed at alerting, educating and sensitizing Australians to developments in the region. Expanding Australia’s Asia Pacific Fellowships Programs and establishing a network of researchers throughout Australia and support for conferences, publications and newsletter could be of immense help. The commitment of resources to long term programs aimed at improving analytical capacity, information dissemination, and targeted commercial and diplomatic initiatives will bring benefits of all kinds - economic, social, political and strategic.

Programs to display sensitivity towards understanding of Asian cultures and traditions will minimize the gulf between rhetoric and actions and make intellectual, commercial and cultural orientations more effective.

Australia’s standing in the region is being seen as an important partner. Australian leadership itself has promoted the idea of Australia being utilized by European businesses as a base in the Asia-Pacific region.

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There could be meaningful cooperation to tackle the problems of drug trafficking and organized crimes. Southeast Asia is a production and conduit center of drug. The handling of these issues will require cross regional cooperation. Other problems like environmental damage, illegal immigration also can be tackled through joint cooperation. In all these issues, Australia can act as a constructive partner.

6.5 Dilemmas continue

While Australia continues its journey as an independent and self-confident nation, it does not appear without some paradoxes in the real life. Its head of state, though nominal, lives half a world away, and working head of state – the governor general is merely considered a delegate. The idea of Australia as a republic country, a more multicultural Australia, and within Asia gained political currency towards the end of labor administration. Samuel P. Huntington believed that the labor party made a historic error by 'deciding to defect from the West and redefine itself as an Asian society'. The decision to Asianize Australia was doomed to fail and leave the country 'permanently torn'. An intense debate about Australia’s self image, identity, history, geography, neighborhood civility, and over the relative merits of a republic vis-à-vis a monarchy continues even today, though there have been fundamental geopolitical shifts over the years. This debate poses a dilemma of identity between Asia and the West. Prime Minister John Howard argues that the history is not an embarrassment, and Australia does not have to choose 'between history and geography'. To many, history is a national identity, not economy.

The referendum favoring the continuation of ties with Britain and British monarch on November 6, 1999 demonstrated a mix of history and tradition. It established the institution of the British monarch as a symbol of continuing a link to the history. Many even thought monarchy as a tunnel to take to the past.

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3 The Economist, 14 December 1996, p.35.

4 Ibid.
Despite a famous Sydney case against a candidature of a person holding a dual citizenship, politicians winning elections still have to swear an oath of loyalty to a head of foreign state. Members of Parliament including Prime Minister swearing allegiance to the queen on assumption of office even today is a demonstration of this tradition. High Court in Australia has ruled Britain as foreign country; any one owing allegiance to foreign power is ineligible to serve in Parliament. Following the referendum results, the Queen clearly stated that 'the future of the monarchy in Australia is an issue for Australian people and them alone to decide, by democratic and constitutional means.' The height of the ambiguity gets clearly depicted in Prime Minister declining to invite the Queen to open the Olympic games in Sydney. Under the Olympic rules, the host country’s head of state opens the game. Prime Minister Howard has decided to perform the task himself. There are also voices within the conservative politics that 'if there is an uncomfortableness in our head of state performing the duties of a head of state, you need to ask whether or not that symbolism is still appropriate.' Slowness in attitudinal changes has led many to believe that Australia has not changed at all, and that it is 'out of step, out of tune, and out of time with the region.' They suggest that changes should preserve qualities of tolerance, openness, fairness, humility, modesty, and sensitivity towards culture and traditions.

Scholars’ observation of Australia being seen in the company of Western Europe and others’ group at the United Nations and other international forums is also cited as being incoherent with its Asia policy. A senior Thai diplomat was reported to have told, 'In many ways, Asia is more important to Australia than Australia is to Asia. Their role is an odd one off an almost European nation on the fringes of Southeast Asia. Australia would like to become the white tribe of Asia, but that will never happen. Thailand may

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have invited Australia into the Asia-Europe grouping, but we would find it very strange if they came to sit on the Asia side of the table.\textsuperscript{9} Malaysian journalist remarked, “It does not matter what Canberra thinks; it is what Asian capitals think that matters.” Likewise, Indonesian official remarks, “The success of Australia’s integration with Asia depends on one thing—how far Asian states welcome Australian intention. Australia’s acceptance in Asia depends on how well the Government and people of Australia understand Asian culture and society.”\textsuperscript{10} Lee Kuan Yew viewed Australia as ‘the white trash of Asia’. Lee’s colorful descriptions of ‘separate’ Australia was based on his perception of Australian phobia casting the Asians as ‘the slink-eyed yellow man who is cunning and vicious and evil, almost sub-human.’ Reported regional voices project Australia as being a victim of its own history. They say it has to come to terms with its own indigenous population and culture to come to terms with the societies of neighboring countries. These perceptions of Australia are premised on ‘a racist assumption of ingrained superiority.’\textsuperscript{11}

However Australian statesmen like Hasluck criticized Australians for lowering themselves to the level of Asians. This self-abasement ‘will not fool Asian, but go on fooling ourselves. Australian culture still needed European nourishment.’

Thus, it seems to be still plagued in whether it wants to be a multicultural society or divided society, republic or British monarch etc. It is said that Australia lives with ambiguous visions of itself, a planet away from either triumphant self-satisfaction or idealism.\textsuperscript{12}

\textsuperscript{9} Diplomat’s remarks were reported to have been told to Thomas Crampton, Bangkok correspondent of the \textit{International Herald Tribune} (IHT), 18 April 2000.

\textsuperscript{10} Jat Sujatmiko in \textit{The Australian}, 5 May 1993, p.18


6.6 Suggestions for future research

The present study demonstrates the utility of linkages in reaching the countries of the region, and advocating the need for a sustainable policy towards the region. The policy of engagement has definitely helped change perceptions and attitudes towards each other on either side. Scholars have also argued Australia’s role as mediator, arbiter or bridge builder between the East and West. Australia’s leading of UN peacekeeping force in the wake of East Timor’s pro-independence vote has been presented as a possible model for future humanitarian intervention in the region with Australia in the lead. Australian Prime Minister John Howard’s referring to his country playing the role of deputy to the US in terms of regional security sparked sharp reactions like ‘emerging spirit of white imperialism’ from Asian neighbors. The abrogation of 1995 agreement on maintaining security between Australia and Indonesia, widely interpreted as a bulwark of resisting Chinese strategic pressure in Southeast Asian region and the South China Sea, has forced strategic thinkers to ponder. These new events provide a tempting ground to conduct further research on the conclusions of this study and examine Australia’s role and identity in the region against a set of policies demonstrated over the years.

Despite the time taken for the completion of the study and abundance of the reference materials at a later stage, the study still remains a preliminary one. It uses selective data. However, it very well attempts to scratch the surface of the very important debate of comprehensive engagement with the region, provides a fertile field for further enquiry, with sufficient and comprehensive data. The researcher has not been able to procure all published data on policymaking process in the case studies nor interviews of the key players at the helms of affairs during the period of the study. The attempt was a preliminary step limited to the examination of some of the linkages to describe Australia’s integrative efforts with the region. It is a suggestive study, not an exhaustive one. Australia’s plunge into the region has been facing non-conforming and antagonistic views from some countries. The ambiguities and contradictions of the journey reveal deeper and more irreconcilable differences. A study of these complex interactions of actors, attitudes,
institutions and processes would require future research of an exhaustive nature. And linkage framework opens up investigative areas of limitless but theoretically significant questions.

6.7 Changing Australia: A Post-Script

Tremendous transformation has taken place. Hugh MacKay, a prominent Australian social researcher and writer says, “Australians have been plunged into a period of unprecedented social, cultural and economic change.” East Asia, as has been noted by Greg Sheridan, is most rapidly growing and changing region. A revolution is sweeping across Australia. The old order is gone; a new order is taking shape with astonishing speed and force. Australia is changing fundamentally and irreversibly. However changing from European post to Asian identity, which is one of the most fundamental issues, still remains difficult and unfinished agenda in Australia.

Paul Kelly, the editor of the Australian newspaper, argues that the old Australia was based on five ideas: a ‘White Australia’, trade protection, centralized wage arbitration intended to ensure a decent standard of living for all, state paternalism and the link to the British empire. Over the past 20 years, he says, these have given way to five new points: multiculturalism, the dismantling of tariffs, tentative moves away from centralized wage bargaining, a loss of faith in government, and ‘national maturity and an acceptance of responsibility for our own fate.’ Globally, the shift from command economics to competitive system has been on the fast track since the end of the Cold War. Ideological conflicts have largely been replaced by the rise of ethno-religious conflicts. If this transformation is mismanaged as a result of inadequate preparation, it will lead to upheavals and disruptions.

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14 The Economist, Australia: A national identity crisis, 14 December 1996, p.36
‘The East Asian hemisphere is where we live” said Gareth Evans, “The sixth most common name in the Melbourne phone book is Nguyen. One of eight people living in Sydney is Asian. The concept of the Asian hemisphere brings us together.” Asians make up 18% of the immigrants. Within the next 25 years, according to some projections, they could form a quarter of the country’s population. There are reports of backing away from the labor’s aggressive Asian policy moving towards multiculturalism and integration with the region. Media has also warned the rising resistance to Asian immigration. Voices of yellow fever and fear of being swamped by Asian attributed to politicians have been reported. The known reputation for tolerance, harmonious coexistence, and cultural respects may come under challenge if such voices gain upper hand. The study findings point towards keeping pace with the flexible and innovative diplomacy of regional engagement.

The developments in Southeast Asia are of direct concern to Australia. The problems created during transitional regimes in Indonesia, Malaysia and military rule in Myanmar are of great concerns to Canberra. The turmoil in both economic and political sectors there provides opportunities and challenges for Australia to help them, build up goodwill as a helpful neighbor, also act as strong intermediary for the region and ultimately project itself to regional leadership. Australia has to demonstrate capacity to play a guiding role.

Malaysia appears antagonistic to Australia’s attempt to define itself geographically as part of East Asia. It ridiculed the arguments, when Gareth Evans put forward the map of East Asia Hemispheric, depicting Australia as being geographically central to Asia. Malaysian Prime Minister Mahathir Mohamad says that Australia should not be considered a part of Asia and should be excluded from regional groupings. Australia’s

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16 International Herald Tribune, April 18, 2000.
dropping of its objections to EAEC, has not helped its desire to get the membership of Asia-Europe Meeting (ASEM).

Australia has maintained close and cooperative relations with most of the countries in the region. Linkages cultivated over the years have helped Australia establish a new framework for its foreign relations. However the path of transformation has not been easy one. There have been crises, uncertainties, complexities, and challenges.

Southeast Asian nations as seen in the past, no longer remain flyover or stopover on way to Europe for Australian leaders. They now figure prominently in national elections. Prime Minister Keating was on record saying that Asian leaders would be reluctant to deal with coalition politics. Though engagement with Asia has remained the highest foreign policy priority of Australian Government, the successor coalition government made it know that Asia first policy did not mean Asia only policy, for markets were to be found for Australian goods and services. Though institutional frameworks like ASEAN, APEC and ARF bind Australia constructively to the region and remain means of cooperative engagement, there appears a long way for Australia to perfect its comprehensive engagement with Southeast Asia, with more time and energy to give substance to rhetoric.

Japan has been Australia’s friend in Asia. Australia was favored by Japanese leaving USA and Canada in number second and third respectively. Japan sees Australia as an asset, economically for raw materials and politically as a possible bridge to the West. Japan and Australia have complemented each other. Japan describes Australia as the major key to its future prosperity, so have of great help to resolve the long-standing dilemma of ‘the place of Australia in Asia.’

Australia’s engagement with Asia has been useful and beneficial - politically, strategically and economically. Australia has what Asia has not, while Asia has what Australia has not. Money has appeared as the king, prime mover on the front line. Gone were the days when Australia’s main interests in Asia were through its partnership with Britain and the USA.
Both Asia and Australia remain complementary to each other. However there were
different perceptions of authority, hierarchy, law and responsibility, between Australia and
Asia. It appears like East-West dealing. Michael Byrnes terms these differences as a test.
For Australia to successfully integrate with Asia, he says it will have to pass through a
Nintendo-like alligator swamp before it can reach the Asian treasure grove. The alligator
swamp stands Australia’s biggest problem in Asia, for despite forty years of big dealings
with Japan, twenty years of large scale dealings with China and fifteen years of intense
political dealings with Indonesia, Australia still does not seem to know where the swamp
begins and ends or where the alligators live. Sometimes it does not know that the swamp is
there at all. This is where when Australia gets eaten alive.17

6.8 Financial crisis in Southeast Asia and Australian response

The crisis hit hard Indonesia, Malaysia, Thailand and the Philippines and other
countries in the region at a time when they were in celebratory and self-congratulatory
mood in 1997. It started with the Thai bhat, spread to a number of regional currencies,
including the Indonesian rupiah, Malaysian ringgit and Philippine peso, as well as the
Korean won. The impact was severe in Indonesia, leading to the collapse of the regional
economies largely as a result of a combination of dysfunctional overvalued currencies
caused by a huge influx of foreign direct investment (FDI) and foreign portfolio
investment (FPI) capital; a sudden and rapid liberalization of capital markets to attract
more FDI and FPI; massive corporate and private debt in dollar and yen; a backlash to the
prevalence of crony capitalism; dearth of remedial tools in the arsenal of state policies; the
global contagion of investor panic; and finally, the problem of moral hazard.18 This

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resulted to the development of contagion situation where a crisis in one country led to a jump to a ‘bad’ equilibrium in a ‘neighboring’ country.19

The negative spillover effects impacted the region and beyond with far reaching consequences of economic, and socio-political nature. Governments of the affected countries preferred to lay blame on a group of outsiders, foreign currency speculators. Malaysia attributed the crisis to the intolerance of the West to a strong Asia.

The crisis caused economic downturn and dislocation. It produced a crisis of social dimensions with a marked deterioration in poverty, inequity and unemployment. Socially disadvantaged groups suffered due to the eruption of social unrest in different countries. The resultant effects were the end of the Soeharto era in Indonesia and first democratic elections since its independence from the Netherlands, new governments in Thailand, Korea and Japan and significant political developments in countries like Malaysia, Papua New Guinea. It adversely affected the confidence of investors, and accentuated the uncertainty and complexity of the regional strategic environment. These difficulties also curtailed among others, cooperative defense activities between Australia and neighbors, which were to build trust and confidence between countries, through training and exercises, and affecting their ability to participate in Five Power Defense Arrangements (FPDA) on grounds of budgetary constraints.

Australia had built a firm foundation of economic reforms and liberalization to withstand any serious economic shocks. Being in such an excellent economic shape, Australia was able to come to the aid of its ‘regional neighbors in their time of need.’20


6.8.1 Response strategy

A credible and coherent economic response strategy was required to help attack the root cause of the crisis, and what was called as artificially guaranteed financial stability to boost investors’ confidence. There were high expectations from ASEAN and APEC to restore economic dynamism by striking at the roots of these problems. ASEAN response to the crisis came in the forms of regional surveillance process to complement and supplement the IMF’s global surveillance role and the Hanoi Plan of Action to promote social development and address the social impact of financial and economic crisis.21

Given the dynamism and growth in East Asia, Foreign Minister Alexander Downer, just before the onset of the economic crisis, had stated that ‘the countries of East Asia will become even more important to Australia as trade and investment partners and in security terms.22 The fluid and unsettling security scenario of the region was a matter of great concern. Asia-Pacific remained a biggest lure for Australia to stay active and engaged. All these factors led Australia to be an active and thoughtful member of the Asia-Pacific. Australia could in no way under such circumstances, remain a silent spectator to troubles in the neighborhood.

The nature and effectiveness of Australia’s response to the crisis had an important bearing on its economy. Australia’s jobs foreign and trade policy23 had come to be inextricably tied to the generation of jobs and investment and therefore its success, and prosperity. As Foreign Minister Downer acknowledges Australia’s economic and strategic future, after all, tied to the prosperity of the region in a way matched by no other nation. Canberra was second to none in recognizing the seriousness of the unfolding economic

21 Chang Li Lin and Ramkishen S. Rajan, n.19, p.265-268.
crisis in East Asia and in developing a response that has been substantial and well targeted. A task force was established in the Prime Minister’s office to advise the government on how Australia should contribute to an effective international response to the challenge of financial volatility.\textsuperscript{24} Australia played a key role in coordinating the response of the donor community. It also made commitments at the bilateral levels with an aim to address long-standing development needs and also to respond flexibly and imaginatively to the economic and social effects of economic crisis. Australia held discussions with neighbors on the economic, political and security implications of the crisis both bilaterally and multilaterally.

Australia was one of the two countries, Japan being the other to contribute to all three IMF packages for Korea, Thailand and Indonesia to boost international market confidence in the region’s prospect, to make it highly attractive to global investors. Australia also lobbied the IMF for a more flexible and appropriate approach in the design and implementation of the package for Indonesia. Also Australia worked hard in APEC—on trade liberalization through the Early Voluntary Sectoral Liberalization (EVSL) package, to communicate the benefits of the free trade and help regional countries improve their economic mechanisms, and on progressing consideration of international financial issues.\textsuperscript{25} Bilaterally Australia boosted aid programs to countries like Thailand and Indonesia to mitigate the social impact of the crisis, and bolster economic management and governance and institution-building programs.

Australia also responded substantially to humanitarian needs in the region, humanitarian assistance to Indonesia to help alleviate the combined impact of the economic crisis and drought, and extension of its aid program to Thailand. This can be seen as a part of the Australian economy’s high level of regional integration, the economic


\textsuperscript{25} \textit{Ibid.}
and financial instability affecting key Asian markets also extending its impact on Australia’s export growth.26

Australia provided practical aid and assistance to individual countries to help alleviate the negative social impact of the crisis, and lent helping hand to Indonesia in its time of trouble.27 By providing ‘preventative’ assistance to other countries in the region, Australia wanted to make them able to avert similar crises in the future, and to manage the economic and social effects of the crisis.

Australian attention, response, advice and assistance to the crisis and its perspectives show how Australia values its relationship with Asia, highlights the close economic interdependence between Australia and the countries in the region, and demonstrates in practical ways Australia’s long term commitment to political, strategic and economic engagement with its neighbors. All these offerings appear to have sprang out of the myriad of official, commercial, defense and people to people links with East Asian countries, and can be anchored in the frame of its comprehensive engagement with Southeast Asia.

Australia’s regional interests are strong and abiding. The closer relationships and deeper mutual understanding forged in adversity is expected to have laid the basis for renewed regional dynamism and vitality in the new millennium—the Asia Pacific century.28 Foreign Minister Alexander Downer says, ‘we have played, and will continue to play, a prominent role in finding solutions to our region’s difficulties. We do so because our actions count, and because our neighbors seek our assistance. We do so for our region, and for the world. And above all, we do so for our own future.’29

27 Ibid.
28 Ibid.
29 Alexander Downer, n.24.
Australia’s response was also seen as a part of ‘regional mateship’ and ‘good neighborliness.’ It has been a resource for the region to draw on. It deployed its assets in ways that strengthen the region. Australia has been an all weather friend, anything but fair weather friend.\(^{30}\) About his coalition Government’s true commitment to and involvement in the region, Foreign Minister argues, ‘I believe that future historians will view this period – the years 1996 through ’98 – as a historic turning point in Australia’s engagement with the Asia Pacific. They will see these years as the time when Australia ceased being the region’s ‘demandeur’ badgering its neighbors for attention and recognition, and became a genuinely close partner and regional friend in good times and in bad.\(^{31}\)

The Asia-Pacific has been tested thoroughly by the East Asian economic crisis, but it has held together by the fundamental economic and security architecture of the region. Stronger bilateral relationships, effective regional cooperation through ASEAN, APEC, and the implementation of IMF assistance packages are all laying the groundwork for recovery over the long run.\(^{32}\) As a member of the Asia-Pacific, and with one of the most East Asian oriented economies in the world, it makes perfect sense for Australia to build on the foundations which contemporary economic geographic proximity provide.\(^{33}\)

6.9 East Timor factor in Australia’s role in the region

East Timor lies on Australia’s northern doorstep. It is a tiny territory. In the fall of 1999, it suddenly became significant –the consequences of which were felt far beyond the fringes of Southeast Asia. Ever since its independence from Portugal and subsequent incorporation into Indonesia as a province in 1975, it has remained on the spotlight of geopolitical events in Southeast Asia. There are proven deposits of oil and natural gas in the sea between East Timor and Australia, an area called the Timor Gap. A treaty was

\(^{30}\) Alexander Downer, n.26.
\(^{31}\) Ibid.
\(^{32}\) Ibid.
\(^{33}\) Alexander Downer, n.23.
signed between Australia and Indonesia in 1989 governing commercial exploitation of this zone.

Australia has considerable security, economic and humanitarian interests in East Timor. The proximity makes it a strategic issue of significant concerns. Any chaotic condition there or ethnic strife, and social dislocation elsewhere in the vicinity could raise a host of difficulties for Australia. And Indonesia remains central to the institutional pillars of Australia’s engagement with Asia being premised on ASEAN, APEC and ARF. The successes or failures of the enmeshing Asia policy were linked to the state of Australia’s relations with Indonesia.

During the process of regional mateship, Australia worked hard to make Indonesia as one of its closest allies in Asia, despite the East Timor remaining a thorn in bilateral relations. It concluded a security agreement in 1995 where the non-aligned Indonesia for the first time acknowledged a shared security interest with another state. This was Australia’s most important security association. It affirmed that the two countries’ mutual strategic interests outweighed the cultural and political issues that divided them, notably East Timor. The coming out of a pebble from Indonesian shoe following the independence vote in August 1999 impacted Australia-Indonesia bilateral relations, economy, strategic arrangements, and Australian regional diplomacy. The turn of events has threatened Australia’s effort over the past decade to integrate itself with its Asian neighbors. This has also drawn American attention, as Australia constitutes the Southern anchor of the US security system in the Asia-Pacific region.

6.9.1 Political Role

With domestic passions, running high, Australia allowed East Timor to dominate its policy towards Indonesia, thus losing sight of the importance of the relationship in the

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34 Robyn Lim, Failure of Australian-Indonesian Cooperation is a loss, International Herald Tribune, 30 September 1999.
wider regional security picture.\textsuperscript{36} East Timor issue has put Australia’s relations with Indonesia at the rock bottom, which former Prime Minister Bob Hawke hopes are recoverable\textsuperscript{37} Richard Woolcott, a former Australian Ambassador to Indonesia and the United Nations contends that Australia’s relationship with Indonesia has been ‘set back possibly for generation’ and ‘our wider engagement with East Asia’ has been damaged.\textsuperscript{38} This rupture in cooperative relations between Indonesia and Australia, argues Robyn Lim, a professor of International Relations at Hiroshima Shudo University, is already an unwelcome strategic complication for the United States at a time when the Taiwan problem has taken a potentially dangerous twist.\textsuperscript{39}

Australia had sided with Indonesia at the time of the seizure of East Timor. It avoided the East Timor issue not to offend Indonesia. Even after the 1992, Dili massacre, Australia joined Japan in blocking a resolution in the UN Human Rights Commission that was critical of Indonesia.\textsuperscript{40} Unlike Sukarno regime, Soeharto was considered a friendly power. Prime Minister Keating went so far as to criticize President Clinton and Congress for putting too much pressure on Indonesia. For him, who was quoted as saying that the stability of the Suharto regime was ‘the single most beneficial strategic development to have affected Australia and its region in the past thirty years,’ silence on human rights was best.\textsuperscript{41} For over a quarter of century, irrespective of parties in power, Australia had reluctantly acquiesced in Indonesia’s policy towards East Timor. Prime Minister Whitlam had encouraged President Suharto to believe that East Timor should become part of Indonesia. The bloody occupation posed a dilemma for Fraser and his more liberal Foreign

\textsuperscript{36} Robyn Lim, n.34.
\textsuperscript{37} Asia week, 12 November 1999.
\textsuperscript{38} The Wall Street Journal, 21 September 1999.
\textsuperscript{39} Robyn Lim, n.34.
\textsuperscript{41} Quoted in Arnold S.Kohen, From the Place of the Dead: The Epic Struggles of Bishop Belo of East Timor (New York: St. Martin’s Press 1999), p.183.
Minister, Andrew Peacock. The resulting ambivalence—publicly opposing the use of force and privately expressing understanding of Indonesia’s concerns—pleased no one.\textsuperscript{42}

However, things changed with the change of international opinion on East Timor. The US Congress criticized Indonesia, which led to a reversal of Washington policy.\textsuperscript{43} Australian Prime Minister’s letter to President Habibie of Indonesia in December 1998 encouraging him to take a different approach in East Timor represented a significant change in the Australian approach towards Indonesia in relation to East Timor. Australia would have preferred a longer period of substantial autonomy for East Timor before a ballot was held.\textsuperscript{44} However Indonesia’s decision to agreeing to a UN supervised ballot on independence changed everything. In the aftermath of the independence vote, violence and destruction engulfed the East Timor. Indonesia showed readiness to cede the responsibility for security to international body, but preferred the lead of Asian countries and desired that Australia’s role be limited. Australia had said that it would like one of Indonesia’s neighbors from ASEAN to take command. Malaysia had volunteered, to avoid setting precedent for western interference in East Timor.\textsuperscript{45} However, Australia went to East Timor carrying the burden of leadership of multinational force at the request of the United Nations and with agreement of the Indonesian Government.

6.9.2 Economic Role

The souring of official links between Australia and Indonesia has spilled over into commercial ties,\textsuperscript{46} adversely affecting trade and investment opportunities for Australia in


\textsuperscript{44} www.easttimor.defence.gov.au/.

\textsuperscript{45} \textit{The Economist}, 23 October 1999, p.42.

\textsuperscript{46} Michael Richardson, Australia faces Economic Fallout from Timor, \textit{International Herald Tribune}, 21 September 1999.
Indonesia. Events have demonstrated that prosperity on either side is good for good relations. It has proved to be conducive not only to foreign trade but also to the building of understanding and trust. The deteriorating political situation in Indonesia and its vicinity is bound to have grave consequences for Australian state of economy. The tension has had its economic impact. Deteriorating security conditions in Kalimantan – hundreds of miles from East Timor-led to the mid-September evacuation of 400 Australians working in the mining and oil and gas industries.47 A former Indonesian Ambassador to Australia warns that, ‘Escalation of anti-Australian sentiments in Indonesia could be very damaging to Australian business and could place future foreign investment projects in the country in jeopardy.’48

Australia’s overzealous willingness to send troops into East Timor was attributed to the rising of anti-Australian feelings in Indonesia. President Habibie had accused Australia of overreacting to the situation in East Timor. President Abdurrahman Wahid, then the head of the world’s largest Muslim organization called for a jihad or holy war, against the Australian peacekeepers.49 The implications were seen in writings on the September 21, 1999 edition of Aksi, a popular tabloid of the Indonesian-language newspaper demanding to ‘cut down the Australian soldiers.’ There were also voices calling Australians ‘monkeys’ and Indonesian soldiers expressing determination to ‘wage war if they (Australians) don’t behave.’50

6.9.3 Strategic Role

Indonesia, which is at present a volatile mix of separatist movements and economic collapse, is strategically an important country containing straits that link the Indian and Pacific Oceans engaging vital American and Japanese maritime security

interests. The sea-lanes passing through Taiwan-Philippines—Indonesia have critical bearing on the commercial life of the region, and more so to the Australian economy.

Australia has vital interests in promoting peace and stability in East Timor. East Timor developments and Australia's response to them argues Wang Gangwu, have put Australian regional foreign policy in a mess. How it handles itself as a leader of the peacekeeping effort will be crucial to whether its Asian counterparts view it as part of the regional circle or as an outsider with dubious interventionist motives. Where as Paul Kelly, international editor of the Australian interpreted the domination of Australians in the composition of the UN forces as being the East Timor 'largely our problem.' Australia was abused in Jakarta. President B.J. Habibie deplored the stance of Australia and accused it of being excessive and unhelpful. Where as Professor Robyn Lim saw it as a model for future humanitarian intervention where a regional bully does the heavy lifting.

Prime Minister John Howard's articulation of the foreign policy doctrine based on national interests and liberal democratic values in which Geoffrey Barker says the Prime Minister sees Australia as a deputy to the US sheriff. This came under heavy criticism. It was interpreted as Australia aspiring to work with the United States for tranquility in the region. Prime Minister Howard's intent to manage future regional spots on its behalf alienated many neighbors. It also confirmed an impression that the government is more comfortable with American and European partners than with Asian ones. Sankei's correspondent called Howard's attempt to make Australia militarily strong arrogant. Paul Kelly of the Australian feared that if Asia takes this message at face value, it will turn

52 International Herald Tribune, 21 September 1999.
53 The Economist, 25 September 1999, p.44.
54 Robyn Lim, n.34.
against Australia.\textsuperscript{57} Sydney Morning Herald termed the Howard doctrine as the unfortunate silliness on his part.\textsuperscript{58} Indonesian paper \textit{Berita Buana} saw in doctrine a failure of the West to understand Asia’s character and culture and emerging spirit of white imperialism in Asia. The paper interpreted this doctrine as the willingness of Australia to make itself slave of Europe and United States.\textsuperscript{59} President Clinton saw Australia more than an ally, and applauded it for its role in East Timor, where Australian action’ saved many innocent lives and set an important precedent for regional cooperation and peacekeeping.\textsuperscript{60} Despite this acclamation for Australian role in East Timor, ‘internal debate on the country’s place in Asia has focussed less on Australia’s newly demonstrated strengths than on the accusation that its Asian relationships have never been handled more clumsily.’\textsuperscript{61} There is clearly a different interpretation of the Howard policy in Asia and Australia. It shows that the relations cultivated over the years developed cracks, which need careful and sensitive nurturing.

ASEAN didn’t show up an Asian face in the wake of East Timor crisis, instead chose to be ‘reduced to playing a secondary, supportive role.’ ARF’s three pronged strategy of confidence building, preventive diplomacy and conflict prevention was nowhere in sight during the crisis. East Timor provided the moments for the West to ‘quietly searching for a higher security profile in the region.’ It was natural for them to show more aggressive security overtures. For Australia, aggressive leadership of the force was to revive hopes in Canberra for a regional security presence.\textsuperscript{62} Washington had kept a low profile contributing a force only in ‘a limited and essential way’. For it allowing the

\begin{itemize}
  \item \textit{The Australian}, 29 September 1999.
  \item Sydney Morning Herald, 29 September 1999.
  \item Berita Buana, Indonesia, 27 September 1999, through http://www.usia.gov/admin/005/wwwwh98x1.html
  \item \textit{ABC news.com}, 4 May 2000.
  \item \textit{Far Eastern Economic Review}, 30 September 1999, p.15.
\end{itemize}
Australians to bear the brunt of the mission was politically expedient, as the sudden presence of US troops on China’s southern flank could raise hackles in Beijing, particularly as the Taiwan issue continues to burn.63

The emergence of East Timor as an independent nation on May 20, 2002 has been a critical regional security matter for Australia, the region and the world. Australia has always followed with keen interests the developments in East Timor. No foreign policy issue, as Foreign Minister Alexander Downer has remarked, ‘has captured the public interest in Australia more than East Timor and its transition towards independence over the past two and half years. Australia has never played such a key role in the resolution of a significant longstanding international issue.’64 Because of its strategic, the deposits of natural resources, and also history of colonial domination, trauma and tragedy of its people, East Timor has never gone out of focus in regional power politics and security. Its problems and challenges are numerous but not insurmountable. Now it is free nation, the attention, action and commitment from the international community, ‘must be sustained with adequate resources and a renewed sense of urgency’65 to overcome them.

Australia’s involvement in East Timor came in combination with the UN and its member states. It got involved only after the road map for peace operation was approved by the UN Security Council. Australia organized the International Force for East Timor (INTERFET). Its leadership was effectively helpful in conducting humanitarian relief operations. Australia’s role in the post referendum phase, however, came to be strongly resented by Indonesians and bilateral relations went to hit the rock bottom in three decades. This is one potential area, which needs to be examined to study the role the place, and position of Australia in the region.

65 New York Times, 29 April 2000
The strategy of Australia being a US deputy makes it a subordinate player. Washington will command loyalty from deputy Canberra, and say in the decision-making. These arrangements give rise to several questions like: Asian acceptability of Australia, ASEAN’s effectiveness, the viability of the ARF, resources for Australia to carry out the responsibilities, Australia’s freedom of action, and America’s coming to the aid and assistance of Australia to make it fulfil that role.

There is a struggle for power and influence among China, India, Japan and US in the region. All except Japan are nuclear powers. In the 21st century, strategic thinker Paul Dibb maintains, the strategic future of our region will be determined by this contention for power. Both Australia and Japan are Washington’s very close and crucial strategic partners. Unlike Japan, Australia does not have the same constitutional constraints regarding the deployment abroad of its military forces. This has made Australia possible to join the US combat forces around the globe – from Korea to Kuwait. Australia has been a pillar of security and stability for the West in neighborhood in which it is located. Following Australia’s leadership in the International Force for East Timor (INTERFET) force in East Timor, strategic thinkers and writers have envisioned a strengthening of both Australia’s regional role and America- Australia relations.

Southeast Asia’s security has a bearing on Australia’s security outlook. The East Timor issue is bound to continue figuring as a critical element in shaping Australia’s regional response to political, economic and strategic issues. Considering the strategic importance of Indonesia and Australia’s weight in the region, both should work together, recover from East Timor shock. Australia should make it clear that it has no territorial ambitions or ulterior strategic motives in East Timor, which was on full display when Australia led the INTERFET. Since a new nation has been born in the vicinity of Australia, it

66 Paul Dibb and Peter Prince, Southeast Asia needs Indonesia and Australia to make up, *International Herald Tribune*, 27 October 1999.
should work towards healing the wounds. A dialogue between Australia and Indonesia will contribute to a congenial regional security environment.

As are reflected and demonstrated in official statements and speeches of Government ministers, Australia desires to continue its engagement with Indonesia and countries in the region, and wants to East Timor to act as bridge rather than an obstacle to go to the Southeast Asian community. Its interests to promote linkages ranging from commercial to education to defence and people to people relations are apparent.

6.10 Australia’s Place in the Region

Developments in East Timor have brought into sharp focus certain facts regarding the role and place of Australia in the region. In a motion moved in the Parliament, Prime Minister John Howard articulated the following positions:67

1. Relationships are most productive when they are realistic, concentrating on mutual interests, building on those core areas where cooperation is possible and openly recognizing when they exist, differences in values and political systems, not on the personal rapport of leaderships, sentiments of governments or so called special relationships.

2. Australia is placed at a unique intersection – a western nation next to Asia with strong links to the US and Europe. Australia deploys most unique assets in our relationships with the Asian region. These links in our history are not an embarrassment to be lived down – quite the contrary. We have stopped worrying about whether we are Asian, in Asia, enmeshed in Asia or part of a mythical East Asian hemisphere. *We have got on with the job of being ourselves in the region.* In turn the region has recognized that we are an asset and have a constructive role to play in it. Australia’s global links have enabled us to work with the UN, the US and others to persuade Indonesia that its best interests would be met by inviting a

67 www.easttimor.defence.gov.au/EASTTIMOR
multinational force. Moreover, our defense links with all these countries through ANZUS, the Five Power Defense Arrangements and our bilateral defense cooperation programs provide us with the capacity to cooperate effectively with them and lead a multinational force.

3. Australia’s alliance with them clearly works very effectively. This has enabled the US contribution to the peacekeeping.

4. Australia faces an uncertain regional security situation; the resource and force structure implications of this will be significant. Australia community must face the need for a significant increase in defense commitment in the years ahead.

5. Australia attaches great importance to Indonesia; which is the largest country in Southeast Asia. How it develops and behaves will influence the strategic balance in the region.

Australia has welcomed the transition towards democracy, recognized enormous difficulties that Indonesia faces. As Asia moves toward more democracy, some Australians of Asian origin say relations will become easier as Asian governments live in greater comfort with Australian press freedom, the country’s tough political discourse, its independent courts and its close ties to the United States and Europe. Henry Tsang, a member of the New South Wales Parliament who emigrated from Hong Kong in 1961, said, ‘We’re repackaging as a unique society with a European background. I think it will sell well. Australia is no threat, and without territorial ambition. As Asia becomes democratic and understands the need to win votes to convince, Asia will understand us.’

68 Canberra recognizes that East Timor developments have put Australia’s relationships with Indonesia under great stress, perhaps the biggest foreign and defense policy crisis since Vietnam War. Indonesia’s future, stability and prosperity are in the interests in Australia and region. Australia’s contribution to the peacekeeping force in East Timor is the biggest commitment of Australian military forces in over 30 years. They went there to help those

68 International Herald Tribune, 18 April 2000.
people who had helped Australians in the World War II to help prevent a Japanese invasion of Australia.

Australia was central to the institutional architecture built over the years for a mutually beneficial relationship based on liberal trade regime and expanding economic growth. Timor development has been red herring in the process. It introduced an era of discontinuity, with all the givens gone. Australia had adopted a policy of appeasement to recognize Indonesia’s claim of sovereignty over East Timor for making it a critical link over its policy engagement with Asia. Canberra, analysts argue, should have waited, which would have helped not to find, ‘ourselves truly and definitely the odd man out in the region.’

Paul Dibb suggests East Timor will be turning point for Australia’s assessment of its place in the world and says, ‘We are now more alone than we have been probably at anytime since 1930s.’ Paul Keating charges that ‘Howard Government’s legacy will be to seriously interrupt the drumbeat of our engagement with Asia.’

Mark Beeson contends that the ineptness of recent diplomacy, and failure to appreciate the seamless nature of domestic and international relations in an increasingly integrated region has left the government vulnerable to accusation of insensitivity and incompetence. He recommends a professional conduct of Australian foreign and defense policy and a more sophisticated approach to the region by Australian policy makers. Any absence of such an approach in the wake of erupting tremors – instability, border disputes, tribal rivalries, separatist movements and even environmental arguments in the region, would continue to leave Australia – a Western country in the Asian region. A quiet approach to these problems should help define its place in the neighborhoods.

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69 Paul Dibb, Quoted in *the Economist*, 25 September 1999, p. 44.
70 Rawdon Dalrymple, quoted in *the Economist*, 25 September 25, 1999. He is a former Australian Ambassador to Indonesia.
71 Quoted in *the Economist* 25 September 1999, p. 44.
73 Mark Beeson, n.56, p. 38.
In terms of the unexploited natural resources, the World Bank projects Australia as the richest country in the world. It is in the benefit of everyone to have good relations with a country of vast resources and capabilities in a number of areas as Australia. Despite having the debates of immigration and identity crisis, Australia remains distinctive, robust, outspoken, and egalitarian. The space, open social and political systems make Australia a highly attractive place in the world. In the process of adjusting itself to the changing frontiers of political, economic, strategic dynamics and environment and demands of technology, Australia has traveled a circuitous road and covered a long distance of its engagement journey of the region and beyond. These imprints have established Australia a significant trader, a strategic factor and a political player in the Asia Pacific region, producing a political framework for Asia Pacific cooperation. Unlike in the age of empire and the balance of power, the age of international cooperation demands that responses to any crisis be better devised through multilateral, multinational and collective security arrangements. Cooperation and engagement seem to be natural corollary of this phase. Whatever be the vicissitudes of political, economic and strategic developments, Australia needs to remain active, engaged and responsible partner with the countries in the region. Australia has brilliantly used its ideas, intellect and persuasive capacity in summit forums to advance its values and interests. To continue the process of Australia’s future engagement with Asia and the extent of its integration with the Asian world, the engagement, not estrangement and containment, and partnership, not intervention remain central and strategic elements. They are tools of persuasion, and help expand economic, political and security links. And the foreign policy posture forms the core ingredient of linkages in the pursuit of this course.