

**WOODROW WILSON CENTER ASIA SEMINAR
WASHINGTON DC, 1 JUNE 2005**

US-AUSTRALIA RELATIONS IN ASIA

Michael Evans
Australian Land Warfare Studies Centre

In a key policy speech to the Lowy Institute for International Policy in Sydney at the end of March 2005, the Prime Minister of Australia, John Howard predicted, *'history will have no bigger stadium this century than the Pacific Rim'*. Howard went on to outline the philosophy behind Australia's foreign and security policies over the past nine years of Liberal-National Coalition Government. Howard spoke of his belief in liberal democratic values, of Australia as a unique intersection of history, geography, culture and economic opportunity and of his conviction that Australian policy should never face a choice between its history as a Western liberal democracy and its geographical position in the Asia-Pacific.

The Prime Minister pointed out how, through the adoption of a balanced foreign policy embracing both globalism and regionalism, Australia had simultaneously reinvigorated its alliance with the US, renewed the Australia-Japanese relationship and engaged with a rising China. This mixture of globalism and regionalism is also evident in Australian economic relations. For example, our largest trading partner as a single entity is the EU; our largest investment partner is the US and our largest export markets are in Asia.

The Howard era that began in 1996 has spanned a decade of dramatic change including the Asian economic crisis of 1997, the fall of Suharto in Indonesia in 1998, the Australian-led intervention in East Timor in 1999, 9/11 and the wars in Afghanistan and Iraq, and the 2002 Bali and 2004 Jakarta bombings. These events have, in many respects, imposed a policy logic of regional-global integration and an important triangular relationship has developed between Canberra, Washington and Tokyo that pivots on a stable balance of power being maintained in the Asia-Pacific particularly with regard to China and Indonesia.

Today I want to analyse three areas. First, I intend to examine the philosophy behind Australia's policies of global-regional integration and its triangular or complementary diplomacy. Second, and third, I want to snapshot the core elements of Australia's relations with the US, Japan, China and Indonesia.

The Philosophy behind Global Regional Integration

John Howard's theory of Australia as representing a special intersection between history, geography and culture is, in many respects, an acceptance that Australia in Asia – like Turkey in Europe – is a liminal state. In international-relations theory, the concept of liminality refers to a country that has an 'in-between location' and is suspended between two different worlds in which there is access to both, but in which physical permanence in either may not be available. Like Turkey, the North Atlantic Treaty Organisation's Muslim-majority state, Australia is Asia's 'European-

majority state'. Both Turkey and Australia are shaped by the politics of liminal status, being simultaneously both 'odd-man in' and 'odd-man out' with their immediate geographical regions. Australia's 'natural' geostrategic environments are regional: South-East Asia and the South Pacific; yet, for reasons of politics and cultural heritage, its major strategic allies since 1901 have been the United Kingdom and the United States, both of which have been, or are, global powers.

Since Australia can change neither its history as a Western state nor its geographical status as a Western outpost located in the Asia-Pacific, it has no choice but to manage the intersection of history and geography through statecraft. Unlike other members of the former British Empire, such as Canada in North America or South Africa in sub-Saharan Africa, Australia is unlikely to be able to join a stronger political or regional economic union in the future. The country must therefore pursue its national interest both globally and regionally seeking cooperation on such 21st-century problems as weapons proliferation, transnational terrorism and state failure.

Australia's fate in the 21st century is to look outward and in several directions simultaneously simply because its interests and identity cannot be enclosed within a consistent set of boundaries. Howard's theory of intersection and his policies of triangulation are based on an understanding of the global and regional interdependence that conditions Australian security and prosperity. As Howard put it in his Lowy speech, he has sought in his Prime Ministership to create a '*balanced realignment of Australia's global and regional engagement*'.

The US-Australian Alliance

Australia's international policy of global-regional integration pivots around the triangular relationship between Australia and the US, between Australia and the Asia-Pacific and between the US and the Asia-Pacific. The first and most important point to grasp about the Australian-American alliance is that it is based on common democratic values and liberal ideals. It has a powerful foundation in shared values of freedom that only one Asian country can approximate and that is Japan. Australian values are representative democracy, egalitarianism, liberal individualism and universal human rights. Australia's political system has a Benthamite tradition; its foreign policy is Cartesian; its diplomacy remains Westphalian; and its defence policy is essentially Hobbesian. These are values and ideals that conform to those of America. In contrast, Asian values are seen by many Australians as being more hierarchical, communitarian and consensual with human rights conceived in more specific cultural terms.

The basic thrust of Australian policy towards ANZUS over the last decade has been based on a view of the US as the decisive power in global politics. The period between mid-1980s and the mid-1990s was the great era of Australian engagement with Asia, an engagement driven by economics but which led some commentators to downgrade ANZUS or even to suggest that Australia faced an 'either-or' choice between Asian engagement and the American alliance. When Howard took office in 1996 he believed that Australian foreign and security policies had become unbalanced, that engagement with Asia had taken precedence to the detriment of the Alliance. In the post-Cold War age of globalised security and unipolar power, the

Coalition believed that Australia's interests required a stronger commitment to the American alliance and they set about reinvigorating the relationship.

The Howard Government's policy of reinvigoration was facilitated by the crisis over East Timor in 1999 and then by 9/11 and the wars that followed it. 9/11 saw Australia invoke Article Four of ANZUS, send troops to Afghanistan and Iraq with Howard later being described as a 'man of steel' by President Bush. Australia has moved from a posture that emphasised independent regionalism based on Asian economic progress towards a posture that emphasises increased strategic interdependence with the US. Sometimes this posture is shorthand to describe Australia as 'America's Britain in Asia'. This is an oversimplification, but there is no doubt that the Howard Government believes that the strength of the Australian-American alliance has helped Australia to redefine its role in the Asia-Pacific.

If Australian counsel has value in Washington then it will be of value in Tokyo, Beijing and Jakarta. In short there is no zero sum game and 'either-or' choice' between America and Asia. On the contrary, Australia's close US links are a plus not a minus in Asia and so for Canberra, the US-Asia nexus is an 'and-and' relationship, and such an interplay dictates a policy of triangulation.

Australia's Core Asian Relationships

The Howard Government believes that the Asia-Pacific in the 21st century will be the decisive arena of global politics. The world's greatest strategic imponderables are found in the Asia-Pacific; it is home to eight of the

world's ten largest armies and to three of the world's most dangerous flashpoints: the Taiwan Strait, the Korean peninsula and Kashmir. At other end of the conflict spectrum, in no other area outside of the Middle East, are transnational, sub-state threats and Islamic terrorism more dangerous than in South Asia, and increasingly, in South-East Asia. The Coalition's policy approach has been to view Asia not as homogenous but as being composed of interlocking sub-regions of North-East Asia, South East Asia and South Asia whose particularity is more important than their generality.

Australia views Japan and China as the 'hinge powers in North-East Asia'. Preserving a balance between these two giants is vital to Australian interests. The importance of Japan to Australia can be gauged by the fact that Howard has visited Tokyo six times in his Prime Ministership. Australia, the US and Japan, the three great Pacific democracies, form a Trilateral Security Dialogue and as Howard put it in March, *'Australia has no greater friend in Asia than Japan – our largest export market for almost forty years and a strategic partner for regional peace and prosperity'*. Canberra has supported Koizumi's outward security policy. The recent decision to send a cavalry regiment to al-Muthanna in Southern Iraq to protect Japanese construction troops is a classic illustration of triangulation and the interweaving of regional and global activism. The move pleased Washington but it was as much to do with Japan and supporting Koizumi's outward security policy as with ANZUS. It was complementary diplomacy.

China's rise is, of course, more problematical for Australia. There are no shared liberal values and the Sino-Australian relationship is fuelled by A\$11b of trade exports and A\$18b of imports representing a trebling of

trade over the last decade. The intellectual challenge for Australia is to integrate a Hu Jintao's China into the calculus of ANZUS and avoid a nightmare scenario of a US-Chinese clash over Taiwan. In Beijing, it is significant that in the foreign ministry the Australia desk is in the American section giving some idea of how China views Australia.

Then there is Indonesia whose political trajectory is always unpredictable. Nonetheless, bilateral relations have improved since East Timor, and Australian aid after the *tsunami* crisis was much appreciated. There is a possibility that a counter-terrorist security treaty with Jakarta under the Presidency of Susilo Bambang Yudhonyo (SBY). It is also possible that Australia will sign the 1976 ASEAN Treaty of Amity and Cooperation in return for a foundation seat at the new East Asia summit in December – even though Canberra views the TAC as a relic from the Cold War.

Conclusion

Australia's blend of global-regional diplomacy will be tested over the next decade or more by three scenarios in Asia. The first and best scenario would be that of a *Kantian 'post-modern Asian exceptionalism'* in which China emerges peacefully and all Asian sub-regions, which become peaceful and democratic accepting civil society, interdependence and regional dialogue as political norms. But this may not occur and Australian diplomacy must be alert to a potentially bleak *Hobbesian 'modern 19th century European scenario'* in which the South China Sea, Taiwan and the Korean peninsula and Kashmir become crisis points between rival Asian states armed with

nuclear weapons. In such a situation, Canberra would be likely to rely upon its axis with Washington and, increasingly, Tokyo.

Finally, there is the *Conradian 'pre-modern or Balkan scenario'* in South-East Asia. In this scenario, Indonesia becomes a Javanese Balkans, torn asunder by political Islam and multiple ethnic insurgencies stretching from Aceh to Papua and the Moluccas. South-East Asia becomes destabilised and ASEAN is paralysed over the key issue of humanitarian intervention. Such a development would present Australia and the US with immediate security challenges.

Of course, none of these scenarios may occur or, indeed, others may develop. However, we have the ancient wisdom of Thucydides to remind us that conflict always occurs in times of change out of '*fear, honour and interest*'. There is much fear, honour and interest at stake in the Asia-Pacific and for these reasons we can be certain that its various sub-regions will severely challenge Australia's foreign and security policies in the first quarter of the 21st century.