AUSTRALIA'S POLICY OF ENGAGEMENT WITH SOUTHEAST ASIA: 1996-2008
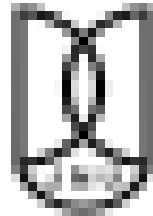
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BIPLAB DEBNATH

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School of International Studies

Jawaharlal Nehru University

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CENTRE FOR INDO-PACIFIC STUDIES
SCHOOL OF INTERNATIONAL STUDIES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI - 110 067

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DECLARATION

I declare that the thesis entitled "**Australia's Policy of Engagement with Southeast Asia: 1996-2008**" submitted by me for the award of the degree of **Doctor of Philosophy** of Jawaharlal Nehru University is my own work. The thesis has not been submitted for any other degree of this University or any other university.

BIPLAB DEBNATH

CERTIFICATE

We recommend that this thesis be placed before the examiners for evaluation.

Prof. Shankari Sundaraman

(CHAIRPERSON, CIPS)

Prof. Shankari Sundaraman

SUPERVISOR

Chairperson
Centre for Indo-Pacific Studies
School of International Studies
Jawaharlal Nehru University
New Delhi-110067

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New Delhi   Biplab Debnath

CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
ADF	Australian Defence Force
AFTA	ASEAN Free Trade Area
AIF	Australian Imperial Force
AIP	ASEAN Industrial Projects
AMS	Agreement on Mutual Security
ANZCER	Australia New Zealand Closer Economic Relations
ANZUS	Australia, New Zealand, United States Security Treaty
APEC	Asia Pacific Economic Cooperation
APT	ASEAN Plus Three
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Nations
ASEAN-PMC	ASEAN Post Ministerial Conference
ASEM	Asia Europe Meeting
AUSFTA	Australia United States Free Trade Agreement
BMD	Ballistic Missile Defence
CEPT	Common Effective Preferential Tariff
CSCA	Conference on Security and Cooperation in Asia
DFAT	Department of Foreign Affairs and Trade
DK	Democratic Kampuchea
DRV	Democratic Republic of Vietnam
EAEG	East Asia Economic Grouping
EAS	East Asia Summit

EEC	European Economic Community
EVSL	Early Voluntary Sectoral Liberalisation
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GRUNK	Government of the National Union of Kampuchea
IMF	International Monetary Fund
INTERFET	International Force East Timor
JI	Jemaah Islamiyah
MILF	Moro Islamic Liberation Front
MOU	Memorandum of Understanding
NMD	National Missile Defence
PECC	Pacific Economic Cooperation Council
PICC	Paris International on Cambodia
PTA	Preferential Trading Agreements
PRG	Provisional Revolutionary Government of South Vietnam
PRK	Peoples Republic of Kampuchea
RAAF	Royal Australia Air Force
SAFTA	Singapore Australia Free Trade Agreement
SEATO	Southeast Asia Treaty Organisation
SOVFA	Philippines Australia Status of Visiting Force Agreement
TAC	Treaty of Amity and Cooperation
TAFTA	Thailand Australia Free Trade Agreement
TMD	Theatre Missile Defence
UN	United Nations
UNAMET	United Nations Mission in East Timor

UNSC	United Nations Security Council
UNTAC	United Nations Transnational Authority in Cambodia
USA	United States of America
WMD	Weapons of Mass Destruction
ZOPFAN	Zone of Peace, Freedom and Neutrality

CHAPTER – 1

Introduction

Over the past two decades Australia made a radical shift in its identity by discarding its exclusionary white Australia policy and promoted a new discourse on living with Asia through a policy of comprehensive engagement with the region. Although the groundwork was made much earlier, it was primarily from the mid-80's that this policy of Asian engagement really got off the ground. Australia's policy of engagement with Southeast Asia during the tenure of John Howard, the focus of this study, needs to be viewed within this broad framework of Australia's Asian engagement.

The simple fact of geographical proximity ensures a crucial place for Southeast Asia in Australia's foreign policy. This geographical proximity had been frequently observed throughout history and many differing evaluations of its consequences – of the perceived opportunities, challenges and the threats it presented – influenced the policies of the successive Australian governments. The same was the case when the Liberal National Coalition government led by John Howard came to office in 1996, as Southeast Asia found a prominent place in Australia's political, economic and strategic policy making. The 1997 white paper *In the National Interest* identified Indonesia along with China, Japan and the US as the four bilateral relationships that will be crucial to Australia in future. Similarly the 2000 defence white paper *Defense 2000* identified sets of strategic interest for Australia in the form of 'concentric circles' while asserting that Australia's prime interest lies in ensuring the 'stability, integrity and cohesion of its nearest neighbours' including Indonesia followed by the 'promotion of stability and cooperation in Southeast Asia', and that Australia has a key interest in helping to maintain a resilient regional community that can cooperate to prevent the intrusion of potentially hostile powers in the region (Commonwealth of Australia 2000c: 30-31). Besides this, the Defense Updates of 2003, 2005 and 2007 gave high priority in working with the region on common security issues for Australia's own strategic interest.

John Howard, while defining his principal foreign policy objective as a pursuit of national interest, defined in terms of physical security and economic prosperity of

Australia, pursued an active policy of engagement with the Southeast Asian region. In contrast to his predecessor's emphasis on multilateral approaches to regional engagement through institutions such as APEC and the ARF, the coalition government emphasized on bilateral relationships as the basic building block of foreign and trade policy (Comonwealth of Australia 1997: 53), while at the same time keeping an open mind about new approaches like the Free Trade Agreements (FTA's). However the difference was primarily in degree and emphasis as the Howard government also committed itself to make APEC move faster in implementing trade liberalization. Nevertheless, Howard did look more closely at FTA's to supplement the multilateral operations of the APEC. Australia during Howard's term signed FTA's with Singapore and Thailand while launching negotiations with Malaysia, thus covering Australia's FTA, within a relatively short span of time, with almost half the ASEAN economy. The creation of a network of bilateral FTA's was expected to progressively revive multilateralism and even the liberalizing ambitions of the APEC itself as Howard pointed out that these bilateral deals provide insurance in the event the multilateral hopes are not realized (Goldsworthy 2001: 231). Emphasis on bilateralism was also evident in Australia's regional security policy even as Howard accepted the central role of ASEAN in the region. While cautiously endorsing the ASEAN Regional Forum (ARF), Howard emphasized the development and strengthening of Australia's bilateral security links with the region, projecting it as instances of practical bilateralism.

However, engagement with the region in the initial years of Howard's term was not at all smooth. The two countries, considered as the gateway towards Australia's engagement path, Indonesia and Malaysia, proved to be the biggest stumbling block. Australia's relation with Indonesia was considerably strained over the Australian-led UN mission to oversee East-Timor's independence. This even resulted in the abrogation of the Agreement on Mutual Security (AMS) of 1995 giving a major setback to Australia's policy of regional engagement. On the other hand, Australia's relations with Malaysia had been difficult with the then Malaysian Prime Minister Dr. Mahathir Mohammad vetoing proposals for linking the Australia-New Zealand Closer Economic Relations Trade Agreement (CER) with ASEAN Free Trade Area (AFTA) in 2000. However Australia's relations with the two countries began to improve in the beginning of the new

century, with the change of government in both Indonesia and Malaysia, and with East Timor slowly fading as a bilateral issue.

Since the September 11, 2001 terrorist attacks, and more importantly after the 2002 Bali bombings, Southeast Asia emerged as a central region in Australia's strategic thinking. The direct challenge for Australia came from two dimensions, the first being the immediacy of the threat right in its northern neighbour and the second being the levels of regional cooperation required to confront it. Moreover, Australia's support for US unilateralist response to terrorism post 9/11, particularly that of launching pre-emptive strikes against terror in the region, invoked strong criticism from the Southeast Asian countries. Nevertheless, Australia pursued a number of initiatives to strengthen strategic and defence relations, and foster close cooperation on counter-terrorism measures with the Southeast Asian neighbours. In 2004 Australia and ASEAN signed an Australia-ASEAN Joint Declaration on Counter-Terrorism. This is in addition to nine bilateral anti-terrorism agreements with Malaysia, Indonesia, Philippines and Thailand. Australia also conducted joint counter-terrorism exercise with Thailand and Indonesia; hosted the 5th Regional Conference on Terrorism in 2005 and negotiated a 'Status of Force' agreement with Philippines allowing joint training exercise on Philippines soil. 9/11 have also resulted in a debate as to whether or not the terrorists attacks have ushered in a period of fundamental strategic transformation in the light of non-state threats and what this might mean for Australia's security (Clarke 2008: 272). The Agreement on a Framework for Security Cooperation signed by Australia and Indonesia in 2006 covering a broad range of interactions in the field of defence, counter-terrorism and intelligence represented a mutual recognition of the importance of non-military threats to regional security.

The coalition government of John Howard (1996a) repeatedly stressed that Australia need not choose between its history and geography, thereby referring to the perceived tensions between Australia's historically close ties with the US under ANZUS and engagement with Asia. This tension came to the fore in the build up to the ASEAN-sponsored East Asian Summit (EAS) wherein participation in the summit was conditioned on signing the ASEAN Treaty of Amity and Cooperation (TAC). Despite pressure from the regional neighbours to accede to the treaty Howard was initially opposed to signing it as he was concerned that it might clash with Australia's obligations

under ANZUS as well as come into conflict with his support of the pre-emptive policy. The issue did bring to the fore the conflict in Australia's regional engagement and its historical ties to the US which Howard was referring to.

Southeast Asian nations' sensitivity to external interference meant that Howard's acceptance of some of the US policies like that of 'pre-emption' post 9/11 caused a great deal of controversy among the regional states who perceived this as Australia's challenge to their sovereignty. Thus Australia's positive engagement with the region increasingly depended upon how Australia maintained a crucial balance between its alliance loyalties on the one hand and its engagement policies on the other. With this background, the study will discuss the dynamics in Australia's engagement policy during the Howard period. The study analyses Howard governmnt's approach towards Southeast Asia; the extent to which Australia was able to forge cooperative economic and security relations with the region, the constraints faced, and the extent to which Australia could balance its alliance relationship and regional engagement.

Scope of the Study

Australia's engagement with the nations of Southeast Asia is an important component of its broader policy of 'comprehensive engagement' that the country initiated with the Asian region. This study focuses on the dynamics of Australia's engagement policy with the Southeast Asian nations during the tenure of Prime Minister John Howard. Howard has attempted to pursue Australia's policy towards Southeast Asia under the realist framework of pursuing Australia's national interest. This was exemplified by the liberal-coalition's increasing emphasis on bilateralism with individual Southeast Asian countries in contrast to the avowed faith in multilateral institutions as followed by their predecessors. By concluding significant bilateral economic and security agreements with a number of countries in the region, Howard seemed to give legitimacy to his pursuit of, what he termed as, 'practical regionalism' with the countries of the region. The study seeks to look at the reasons behind this policy approach as well as find out the extent to which Howard's policies have been successful at forging Australia's engagement with the Southeast Asian region. In doing so, the study also highlights the constraints faced in this endeavour. The study also covers the different conceptualisations

of regionalism held by Australia and some of the regional states, and the impact they had on Australia's engagement diplomacy. On the other hand, despite the liberal-coalition's focus on bilateralism, Australia did use the multilateral approach in furthering its regional engagement goals. In this context, the study made an attempt to investigate the coalitions' scepticism towards the bilateral approach, the manner in which the regional economic and security scenario conditioned Australia's approach and also factors that led to a renewed emphasis on multilateralism at the latter stages of Howard's tenure.

Southeast Asia always remains a region of immense strategic importance for Australia. Since the September 11, 2001 terrorist attacks and even more so after the Bali terrorist bombings, the Southeast Asian region have found increasing prominence in Australia's security and defence planning so much so that various defence white papers have emphasized the security and stability of the region as an important determinant of Australia's security. For instance, the conceptualisation of 'concentric circles' in the 2000 Defence white paper gave primacy in maintaining stability in Australia's nearer neighbours followed by the Southeast Asian regional stability as an important factor in maintaining the security of Australia. The work examines the impact of the post-9/11 security situation in Australia and the region on the former's policy of engagement and the resultant Australia-Southeast Asia relations. The study looked into the impact of Australia's defence and security planning on its engagement policy, based on the perception that Australia had towards the security situation in Southeast Asia. In this context, the study covered the different conceptualisations of Australia and the regional states on crucial issues like security, sovereignty, human rights and intervention, issues that had enormous impact on the relationship between Australia and the regional states.

The reason why such issues came into prominence during Howard's tenure was because of Australia's concurrence with a range of US strategic perspectives especially in the post 9/11 period. This was in tune with the central foreign policy focus of the liberal-national coalition, which was to reinvigorate the country's relationship with the United States which the government felt was sidelined due to the labor's excessive focus on Asia. The government maintained that Australia does not face a conflict between its alliance relationship and regional engagement and Australia can and need to pursue both. The study covers both the facets of Australia's foreign policy, of the country's attempt to

strengthen relationship with it's, what has ben often termed as, 'great and powerful friend', while at the same time trying to engage with the region. The fact that maintaining a balance between the two had not always been easy is what the study attempted to highlight. In that sense, a range of issue and debates had been covered in the study, from the conceptualisation of state sovereignty, the conflict between state sovereignty and national security, perspectives on humanitarian intervention and human rights, perspectives on regionalism etc. The idea behind highlighting these debates was to show the manner in which such terms has an essentially regional variant which more often acted as a stumbling block towards Australia's attempt to engage with the region.

In covering these aspects of Australia's engagement Policy with Southeast Asia, the study will focus the region as a whole, with ASEAN as the core, as well as bring into fore, some significant bilateral aspects of the Australia's relationship with individual Southeast Asian states. This is due to the fact that while the region acquitted primiment in Australia's policy making, some significant bilateral relationship actually drove the engagement policy forward, as well as been the crux of debates as to the extent in which engagement was possible. So, at different parts of the study, states such as Indonesia, Malaysia, Singapore covers a significant space even within the overall assessment of Australia's engagement with Southeast Asia during time Howard's tenure.

Review of Available Scholarship

Literature reviewed for the study covers a wide variety of issues relating to Australia's relations with Southeast Asia and even with the wider Asian region. The focus was not solely on John Howard's tenure but also much prior to that in order to invigorate the debates on Australia's identity as a nation, its perception towards Asia particularly Southeast Asia, and the country's dealings with regional and extra-regional powers. All these dynamics were also put in the perspective of theorisations of Australia's relative power position and its linkage with Australia's engagement with the region. The literatures have been grouped into themes and sub-themes broadly covering the aspects mentioned above.

The first volume of Edwards and Goldsworthy's (2002) edited work *Facing North: A Century of Australian Engagement with Asia* provides one of the most

comprehensive historical account of Australia's dealings with Asia from the time of the country's emergence as a federation till the mid 70's. By extensive use of official government sources, the book presents a narrative of the changed perspective of Australia and Australians towards Asia which reflected in the country's foreign policy. Highlighting the manner in which Australia's views towards Asia were a result of transformation of the region itself, the book focuses on aspects such as the White Australia Policy, Forward Defence during the Cold War and Australia's early initiations towards regional engagement in the context of the transformations that both Australia and the region underwent. Similarly, Antonio Milner's (1996) *Australia in Asia* volumes provides a good reading on the dynamics between Australia and Asia. In *Comparing Cultures*, Milner provides an analysis of the cultural distinctiveness between Australia and Asia which reflects in their differing perspectives towards issues of national importance such as security, business ethics, democracy, human rights, etc. In this study Milner sounded pessimistic regarding Australia's perceptions about the emergence of a global culture by highlighting the complexities of Australia's engagement with Asia. On the other hand, in *Communities of Thought*, Milner brings forth the argument whether the term 'Asia', with varied countries, culture and people, can be characterised as a single monolithic unit and the place Australia holds in the differing conceptualisations of the region. He reflected upon the cultural complexities and dynamism of the region through the study of different societies, their values and world views which occasionally challenges each other.

Numerous scholars have highlighted the historical evolution of Australia's foreign policy and the process that such policy making entails within the context of the study. Wesley and Gyngell (2003), provided a general account of Australia's foreign policy process, with case studies on Asia, at the strategic, contextual, organisational and operational level, and provided an analysis of the manner in which foreign policy institutions and actors function within these processes. One significant aspect in the study of the evolution of Australian Foreign Policy is the country's imperial connections, which had a significant impact on its foreign policy making as well as its perception towards Asia. In this context, Walters (2012) examined the threats faced by Australia by the rise of fascist regimes in Germany and Italy. He provides a historical account of Australia role

in Imperial foreign policy making, from the British policy of appeasement to the eventual declaration of the Second World War. Firth (2005) gave an overview of Australia's foreign relations starting from the country's imperial connections with Great Britain to the factors that led to the transformation of Australia's security guarantor from UK to USA to Australia's role in American forward defence strategy during the Cold War. Watt (1967) highlighted the changes in world politics leading to the Second World War and the manner in which the country adapted to those changes. By using government sources, Watt provided a historical account of the situations leading up to the Second World War, an analysis of Australia's role in the same, and the country's activism in the making of the post Second World War order. Reynolds (2005) examined the influence of five broad themes - decolonisation, Cold War, changing nature of security, economic development and race – on Australia's Post Second World War foreign policy, the challenges that these issues generated and the manner in which Australian policy makers reacted to those challenges. McDougall (2006) addressed the question as to whether the common British links between Australia and the Commonwealth Southeast Asain states of Malaysia, Singapore and Brunei had any impact on Australia's contemporary links with these countries. McDougall argued that tracing the contemporary relations solely through the colonial links would be an oversimplification. By examining the contemporary relations between Australia and Malaysia under Mahathir, he pointed out the complexities in Australia's post Colonial relationship rooted on cultural sensitivities.

A significant aspect of the evolution of Australia's foreign policy was the influence of race as a threat perception on policy making vis-a-vis Asia. In this context, Jordan (2005; 2013) provides an analysis of Australia's fear and apprehension towards Asian immigration under the colonial rule. He examines the colonial attitude towards the question of immigration, the mentality underlying the creation of White Australia, and the influence of the ideas of nation, identity and race that shaped Australia's attitude towards Asians. He argued that most of the work fall into two categories: essentialist approach which view white Australia as a product of Anglo-Australian racism and the apologists who view it as a sensible attempt to protect Australia's economic interest and cultural norms. Viewing these as ahistorical he offers a new interpretation – the rise of race nationalism – as the most credible reason for white Australia policy. On the other

hand, Meaney (1995) explores the reason why the white Australia policy came to be discarded towards the embracement of the notion of multiculturalism. He argues that explanations of the abolition as inevitable and long overdue are ahistorical, as the justifications of the abolition of while Australia were based on racial principles espoused as moral principles by the same section of people who favoured the racially-discriminating policy during its adoption. Similarly, Jupp (1995) examines the shift in Australia's perception from a racist European outpost with a restrictive immigration policy towards Asians to a shift to form a 'part of Asia'. While providing a historical background of the 'White Australia Policy' Jupp explained the impact of population, trade and capital movement towards Australia's transformation as a nation. He concludes that even though public opinion might still be sceptical towards these transformations, it will be easier for the new generation of policy makers, considering the large Asian Diaspora, to develop acceptance among the Australian public.

While the issue of race signified an important cultural element in Australia's policy towards Asia, theorisations on middle power concept provided much of the framework in Australia's regional diplomacy in the post war period. A number of studies provided the normative, behavioural and systemic framework of middle power behaviour. The works of Holbraad (1984), Wight (1986), Carr (2014), Scott (2013), Cooper et. al. (1993), Ungerer (2007) and Evans (1995) provides useful insight on the definitional debates on the category on Middle powers. Holbraad (1984) also provides an early account of the development and progression of the middle power concept through the works of political thinkers. By providing cases of Australia, he goes on to explain the manner in which middle power behaves in each systemic situation of world politics. While Hobbraad (1984) and Wight (1986) use objective criteria through quantification of a nation's recourses in categorising middle powers, Cooper et. al. (1993), Evans (1995) and Ravenhill (1998) uses the behavioural yardstick. On the other hand, the systemic approach in defining middle powers based on their ability to alter the elements of the international system through formal or informal means is analysed by Carr (2014). While most of these scholars' talks about middle powers in general, Australia regularly features in their analysis given the fact that the country came to be widely recognised as a middle power in the post 2nd World War order.

In a more specific Australian cases, Cooper (1997) analysed middle power activism by using two intersecting axis. One axis indicates the *form* of operating procedure with 'heroic' (ambitious and risk taking) approach to policy making on one extreme and 'routine' (cautious) approach on the other. The other axis represents the *scope* of activity with 'diffuse' (concentration of many different smaller things) at the one end and 'discrete' (concentration of small number of issues where stakes are high) at the other. Cooper argued that Australia's style of middlepowermanship was 'heroic' and its activity has tended to be 'discrete' in contrast to another prominent middle power like Canada which is more 'routine' in form and 'diffuse' in scope. Hocking (1997) provides the factors behind the renewed interest in middle powers in the post Cold war period, in times of greater fluidity in power hierarchy. By taking the case of Australia, he highlights the country's usage of niche diplomacy and coalition building as a middle power strategy. He also explains the limitations and challenges that Australia confronts in implementation, as the country is in a continuing dilemma between its 'history' and 'geography' that has conditioned its attitude towards the external environment. Evans (1995) presented a case of Australian Labor government's use of middle power diplomacy in the aftermath of Cold War as a unique feature and a major departure from the preceding period. Evans claimed that middle power diplomacy, particularly coalition-building with like-minded countries and niche diplomacy, is the best framework to explain Australia's role in the uncertainties of the post Cold War period. Evans (2011) would also enter into the debate on the apparent contradictions between the normative aspects of middle power behaviour, of being a good international citizen, and a state's pursuance of national interest, by treating them as synonymous with each other. Ungerer (2007) traced the conceptual and operations foundations of the middle power concept in Australia diplomacy in the post second world war period. By doing so he presented a critique of Evans' argument that Australia's middle power diplomacy was a unique feature of the post Cold war period. He also pointed out the inconsistency in Howard government's rejection of the middle power label considering the nature of security challenges that confronted Australia in the post 9/11 period. The pursuance of self interest in middle power behaviour overlooking ethical notions of good international citizenship is also evident in the works of Mclean (2006), Reynolds (2005) and

Goldsworthy (2002). Mclean, in particular, pointed out Australia's determination, under Evatt, to pursue for a seat at the highest table while Goldsworthy and Reynolds highlighted Australia's scepticism towards the process of decolonisation – in all cases Australia's actions underpinned by its pursuance of national interest by overlooking the moral connotations of good international citizenship.

On the transformation of Australia's foreign policy priorities in the latter part of the 20th century, Firth (2005) provides an account of the factors behind the transformation as Australia pursued closer economic and security relations with Asian nations. George (2007) explained the elements of continuities and change that characterised Australia's foreign policy in the context of the country's search for security and identity. Australia's relations with Asia also formed a significant part of the latter two aspects as George explained the country's transformation from feeling a sense of strategic vulnerability towards Asia to a changed perception towards the region in the post-Guam period.

The ambiguities generated by the continuities and changes in Australia's foreign policy towards Asia was also formed a part of study by numerous scholars. McAllister and Ravenhill (1998), for instance, provided an insightful account of public opinion in Australia on the country's engagement with Asia during the Labour government of Hawke and Keating on different aspects at a generational level. His study highlights the ambiguity in public perceptions over security and economic matters. While there was a sense of security threats to Australia, primarily from Indonesia, public opinion was largely favourable towards economic engagement with Asia while retaining a level of protectionism. Higgot and Nossal (1997), explained this ambiguity through the concept of liminality as they analysed the Hanson debate and its impact on Australia's Asian engagement. They argued that Australia's push towards Asia during the labor period and the debate sparked by Hanson was evidence of Australia's position as an ambiguous in-between where it is neither fully cut-off from the old world of racist predominance nor it is fully integrated with Asia. Beeson (2001) highlighted the manner in which Australia's relation with the region will always be in contradictory terms – while it will bring economic opportunity it will also bring strategic threats. He was critical of Alexander Downer's claim that Australia could only practice a form of 'practical' regionalism due to the cultural differences between the regions. Such a stand, according to the author,

effectively excluded Australia from institutions like ASEAN+3 resulting which Australia was less able to influence the course of regional developments. In the same vein Johnson et. al. (2010) examined the ambivalence towards Asia – signifying both fear and hope – in Australia's political discourse which reflects in the country's policy making. From Gough Whitlam to Kevin Rudd, they highlighted the various debates on Australia relations with Asia and the effect Australia's policy has on the country's domestic politics. They argue that while there is difference in approach of the subsequent Australian government, signifying an imagining and re-imagining of Asia, the ambivalence remain a persistent feature of Australia's perception towards the region.

From the perspective of the government, Breton (2001) and Downer (2002) presented the labor and liberal perspective of Australia's foreign policy covering two important but often conflicting themes: alliance with USA and engagement with Asia. Brereton highlighted that a deep commitment towards engagement in the Asia-pacific region is central to Labor's foreign policy approaches. While being critical of Howard's policy of drifting away from the region and not seriously pursuing the question of participating in 'ASEAN+3', Brereton argues that while the labor government gives priority to its alliance with USA (ANZUS) it does not view the same as a strategic alternative to Asian engagement. Downer, on the other hand, coated Australia's foreign policy with the concept of 'national interest'. He argues that alliance relationship with USA helps cement the later into the security architecture of the Asia-pacific, thereby maintaining stability by balancing and containing potential rivalries in the region. At the same time emphasis on bilateral relations means that Australia also has a strong network of bilateral and regional security dialogues with most ASEAN countries and also plays an active role in regional forums like the APEC, ASEAN-PMC and the ARF. The contrasting approach of liberals and labor towards Asian engagement was also focussed by Capling (2008) as she presented a thorough examination of the scholarly and public debates on the politics and process of engagement. In doing so, she attempted to provide an answer to, what has been termed as the 'Howard Paradox', as to why Australia is more engaged to Asia in defiance of criticism of coalitions' approach to Asian engagement.

For Australia, overcoming the ambivalences, whether it is between threat perceptions and opportunities vis-a-vis Asia or whether it is of maintaining its alliance

relationship with USA or engaging with Asia, has been a major challenge for successive governments and the liberal coalition government of John Howard was no exception. A considerable amount of literature examined those challenges faced by the coalition government in its attempt to engage with Asia in general with particular emphasis on Southeast Asia. Clevin (2002) analysed in the manner in which Howard government's emphasis on 'national interest' had negative implications in Australia's relations with the countries of Southeast Asia. Mauzy (1999) highlighted the complexities in Australia's engagement policy with a particular emphasis on opposition by Malaysia. He focussed on Malaysia's Prime Minister Mahathir Mohammad's determined opposition towards Australia's efforts to play a bigger role in the region, as exemplified by his negative reactions to Australia's participation in various regional institutions, basing membership not on economic links or geographical proximity but on racial and cultural criteria. Gorjao (2003) provided a conceptual framework of behavioural, attitudinal and institutional consolidation describing the process of Australia's engagement with Asia. Through an empirical study under the framework, Gorjao argues that Australia still have a long way to go to achieve the consolidation of engagement with Asia under these three levels. Beeson (2007) explained the manner in which Australia stood as an outsider in Asian perception of region. He argued that the conceptualisation of regions is a political exercise based on identities and perceptions of nation-states that constitute it. For Beeson, unless such national perception aligns with trans-national developments, countries like Australia, with their different cultural settings than that of the region, will remain in the outer of Asian regionalism. Griffith and Wesley (2010) highlights the challenges that Australia faced in its engagement with Asia – as the country juggles between perusing regionalism brought about by global trends and what Wesley terms as 'prudential regionalism' based in commercial interest - in the light of the changes to the global balance of power. They points out cases wherein such changes in the global balance of power will make it difficult for Australia to pursue regional diplomacy through middle power multilateralism. Kevin (2002) discusses the decline in Australia's Asian engagement brought about by Australia's refugee police. She argued that the Tampa episode and Pacific solution has eroded Australia's international standing and as long as the country remains a cold pursuer of national interest it will lose the potential to build a

constructive relationship with its neighbours. Lawson (2002) and Wesley (1997) analysed the politics of inclusion and exclusion through membership in regional institutional mechanisms. The former's work pointed out to the economic, political and cultural underpinnings of ASEM, and such factors primarily emerging as the driving force over the question of inclusion and exclusion in the grouping. Similarly, Wesley presented the case of Australia exclusion from regional institutions like APEC and ARF to competing visions of regionalism as propagated by Australia and some of the nations of Southeast Asia. While Australia contends their membership in regional institutions on economic and geographic terms, this definition is not accepted by cultural regionalist like Malaysian Prime Minister Mahathir Mohammad. The bottom-line, Wesley argue, is that regions are not self-defining blocs but those that are created by advocates and thus the criteria of inclusions and exclusions are determined by competing political visions of the region.

On the other hand, there were writings that were more positive about Australia's engagement with the region. Jones and Benvenuti (2006) justified Howard's emphasis on bilateralism in Australia's relation with Southeast Asia. Their work highlighted the manner in which the Asian financial crisis and political instability in Southeast Asia upset the multilateral engagement policy demonstrating the weakness of institutions like the ASEAN, ARF and APEC to address the crisis. They argued that the shift to a more realist paradigm, of identifying the state as a key actor having permanent interest, that has facilitated deeper engagement with the region as exemplified by FTA's with Singapore and Thailand and anti-terrorism agreement with Malaysia and the Philippines without at the same time neglecting the alliance loyalty with the US. Cotton (2008) provided a useful insight into the perceptible shifts between bilateralism and multilateralism in Australia's approach to Asian regionalism with a particular emphasis in the Howard era. Cotton argued that while the Howard Government premised their foreign policy in a realist approach through bilateralism, there were departures from this approach as evident by Australia's contribution to the improvement of regional government practices.

In the economic sphere, a number of literatures pointed out the importance of the region in the context of the evolution of Australia's economic relations with Southeast Asian nations. Ravenhill (1998), for instance, pointing out to the transformation of

Australia's relations with ASEAN in the economic sphere, highlighted the relative decline in significance of Australia for ASEAN as a source of market and investment brought about by the sustained growth of the region. He also highlighted the sources of dispute between Australia and ASEAN even as the Hawke-Keating government attempted to reorient Australia's policy towards the Asia-Pacific. A useful analysis of the progress of intra-ASEAN economic cooperation in the post Cold War period is provided by Pangestu et. al. (1992). While examining the factors that deterred the development of economic cooperation among the ASEAN member-states, like the marginal utility of the Preferential Trading Agreements (PTAs), he makes the case for both feasibility and desirability of Intra-ASEAN economic cooperation. Pitty (2003) examines Australian efforts in promoting economic cooperation in the East Asian region first through the country's contribution to the development of PECC and later towards a more formal institution in the form of APEC. Pitty extensively focussed on the efforts of the Labor government of Keating in developing APEC and the labor's vision of enhancing the scope of APEC from perusing economic goals towards strategic cooperation. Okamoto (2010), similarly, traces the evolution of Australia's economic policy with ASEAN first through the multilateral cooperation framework like the Crains Group and APEC and then through bilateral means. Nandan (2005) provides insight into ASEAN's attempt to move towards closer economic integration towards the building of an ASEAN Economic Community and its implications for Australia-ASEAN relationship. While analyzing the benefits as well as challenges towards the building of the community, Nandan highlights the manner in which an economic community could open up significant economic opportunities for Australia and how the synergy between Australia's FTA with Singapore, Thailand and Malaysia and the creation of an ASEAN Economic Community can contribute towards economic prosperity across the region.

On works covering the liberal coalition period, Kelly's (2006) analysis of Howard's economic diplomacy towards the Asian region needs mentioning. Kelly examined Howard's response to the Asian financial crisis, the transformation of his perception towards the region, Australia's response to the crisis and the impact it generated on Australia's regional relations. Pitty (2003) and Okamoto (2010) have also examined the causes of Australia's transformation from adopting a multilateral approach

to a preference towards bilateralism in the later 90's. While Okamoto highlights the transformation brought about by, what he calls 'a series of exogenous shocks' in Australia's politics and economy in the late 90's, Pitty focussed on the challenges to the APEC agenda brought about by the Asian financial crisis leading to a shift in bilateralism of the early Howard years.

An examination of the challenges and utility of APEC in the latter half of 90's were evident in the works of Berger (1999), Wesley (2001) and Ravenhill (2007). Berger provided an analysis of the origin and progress of APEC towards, what he calls, the 'golden age' in the 1990's, providing a platform for a synthesis between the East Asian economies with nations such as USA and Australia. He went on to explain the manner in which the Asian financial crisis led to the failure of regionalism as manifested by APEC. For Berger, the financial crisis also reflected, at a broader level, a profound constraint to pan Asian regionalism emerging as a challenger to neo-liberalism. Similarly, Ravenhill (2007) provided an overview of the progress of APEC from the high point of the Bogar Declaration in 1994 to the lows of the late 1990's. He examined the divisions within APEC, between the Asian and Western nations over important aspects of the nature of trade. For Ravenhill, APEC was burdened by unrealistic expectations of trade liberalisation among a large group of countries. Wesley highlighted the tensions within APEC in the context of progress of the EVSL initiative. He examined the causes of crisis within APEC – from its deductive approach to the problems in consensus building, the latter constituting the core of the regime. Milner (2000) on the other hand examined the challenges towards Australia's Asian engagement from the point of view of regional perception after the financial crisis. He argued that while there remains considerable substance in trade links with the region, the perception of Australia being a 'strong man in Asia' after the Asian financial crisis remains a substantial challenge for it to forge positive and constructive relations with Southeast Asia. For Milner, while the economic recovery in the region will offer economic opportunities to Australia, it is also likely to present it with an ideological challenge as the crisis can stimulate what he calls as a 'shared consciousness' of Asia to the exclusion of Australia. The institutional manifestation of this shared consciousness in the form of ASEAN+3 (APT) is discussed by Stubbs (2001) as he provided an analysis of the key developments enhancing the

significance of the APT. He argues that calls for APT were not unique in itself and manifestation of a pan-Asian mechanism had a long history. Stubbs provided the long term trends that nurtured the process – such as common threats, cultural traits, stagnation of other regional groupings etc. – which galvanised together as a result of the Asian Financial crisis.

While the financial crisis posed a challenge to Australia's economic engagement, scholars also pointed out the possibilities in economic integration. Lyod (1996) for instance, underlined the process towards attempt to link AFTA and CER. In context of reduction in barriers in multilateral trade agreements, Lyod favoured the case of AFTA-CER linkage, with their geographical proximity, their reduction of trade barriers with external countries, and considering the expansion of regional trading agreements in the post Cold War period. Brian (2004) provided an analysis of the utility of AFTA-CER in the post crisis period in encouraging trade liberalization between the developed and the developing countries on the one hand as well as reinvigorating the APEC trade liberalization process on the other. An important point made by Brian was that linkages between AFTA and CER should give priority in areas of 'trade facilitation' ahead of 'trade liberalization' and explained the manner in which the Closer Economic Partnership (CEP) framework agreed between ASEAN and CER actually promotes this trade facilitation programme. On the other hand, Oxley (2003) highlighted the utility of FTA's as an important instrument of economic integration in the era of globalization. Oxley argued that regional arrangements like the APEC have no significant economic effects and principally serve only a political purpose. Oxley prescribed Australia to effectively use its FTA's with Singapore and Thailand to seek deep integration in the APEC region which will in turn revitalize the organization and advance Australia's broad goals of fostering open economic policy regionally.

In aspects of security, the works of Acharya (2001), Collins (2000; 2003), and Tow and Taylor (2009), provided useful insight into the security situation in Southeast Asia and ASEAN's management of regional security. At a broader conceptualisation of Asian security architecture, Tow and Taylor (2009) gives a useful account of the contradictions on the usage of the term 'security architecture'. He goes on to provide a framework towards an objective definition of security architecture and looks at

Australia's place in a conceptualisation of Asian security architecture through modes of inclusion and exclusion. Acharya provides a theoretical insight into the concept of security communities by taking the case of ASEAN as a prospect for the development of security community outside the Euro-Atlantic region. He gives a comprehensive account of the evolution of ASEAN norms and its utility in regional conflict management in the post Cold War period amidst a range of factors like ASEAN expansion, territorial disputes, domestic instability etc. Collins examines a range of traditional and non-traditional security challenges faced by the Southeast Asian nations from ethnic tensions, political instability, dealing with extra-regional power politics, to contemporary ones such as conflict in the South China Sea and global terrorism. The study also highlights the ASEAN way of managing security and examines its role in the face of contemporary challenges faced by the Southeast Asian states.

For Australia's role in regional security, Macdougall (2001), Pitty (2005) and Dee and Frost (2005) provides useful insights. Pitty examined Australia's geo-political relations with Asia from the last quarter of the twentieth century in the context of Australia's strategy of defence self-reliance and emphasis on multilateral security dialogue, brought about by the international changes after the end of the Cold War. Dee and Frost (2005) provided a more specific account of Australia's pursuance of developing an active regional role in Indo-China, the most significant aspect of which was playing a leading role in the peace settlement in Cambodia. McDougall highlighted the continuities in substance of security regionalism as pursued by both labour and liberal-coalition, as a component of Australia's regional security policies.

A wide array of literature is available on the development and evolution of Australia's defence policy and Southeast Asia's place in Australia's perception of defence and security. Das (2005) studied the evolution of Australia's defence and security policy till the liberal coalition of Howard by focussing on the interplay of two most important aspect of Australian foreign policy – 'history' of Australia's links with USA and the 'geography' of engagement with Southeast Asia. Das also highlights the manner in which different cultural leanings hampered Australia's defence and security relations with the region even though some of the concerns are similar in nature. Similarly, White (2007) traces the growth and evolution of the idea of 'defence of Australia' and

contributes to the current defence debates on the balance between defence of the continent and contributing forces for the defence of Australia's wider strategic interest. Brown (1995) provides an important reading on the 1994 defence white paper *Defending Australia (DA 94)* and highlights the shift towards the development of conventionally designed defence forces among most of the Southeast Asian states which he argues will increase the complementariness between the armed forces of several regional states and the Australian defence forces. However he also points out a critical paradox for Australia - of the desire to enhance regional military capabilities which is sometimes difficult to reconcile with Australia's assessment of its military capability requirement of ensuring that it remain able to defeat any forces through the sea and air approaches.

The works of Bolton (2003) and Chalk (2003) provide insight into the various aspects of the 2000 Defence White Paper and its impact on Australia's regional engagement policy. Bolton (2003) points out the aspects of Defense 2000 which hampers Australian efforts to build a cooperative security relationship with Southeast Asia. He argues that Australian perspectives on globalization, operation of the international law of the sea and development of international human rights law – principles which are discussed in the defense white paper – as challenging the primacy accorded to national sovereignty by the countries of the region. For Bolton, Australia's general association with western values and pro-active military strategy, which it pursued following the Bali bombings, detract it from developing a cooperative security relationship with Southeast Asia**.** Chalk (2005) points out the contradictions inherent in the 2000 White paper at the level of policy and force structure at the wake of Australia's intervention in East Timor. For Chalk, D2000 at one level fails to reconcile the contradictions between Australia's portrayal of acting as a US deputy and its reference to commitment to immediate neighbourhood. And at the second level, it fails to elucidate whether Australia should prepare its forces to meet threats from its neighbourhood or should it configure the ADF to integrate itself in forward defensive role in alignment with USA.

A number of studies throw light into the 'self reliance' aspect of Australia's defence policy along with the regional implications. Caldwell (2003) analyses the fundamentals of self reliance which, for him, can operate effectively only within an alliance framework of the US. However, he also points out a critical paradox for

Australia in self reliance and alliance dependence in the sense that without the US alliance, defence of Australia is likely to prove difficult and without the policy of self-reliance the US commitment to the alliance might wane as normally allies are expected to be effective partners. Amponin (2003) assessed the debates on the pros and cons of self-reliance within an alliance framework in the context of its regional implications. Dibb (2006) provided a summary of Australia's defence policy developments till the 2000 defence white paper and the idea of 'concentric circles' associated with it. Dibb argues that Australia's long term strategic objective should be to be able to defend its territory from direct military attack as the geo-strategic factors will not disappear in future with the 'Arc of Instability' in Australia's north posing significant challenges. For Dibb, the issues of terrorism and countering the proliferation of WMD are all activities in which defence have a supporting rather than a leading role. Dupoint (2003) however finds the geo-strategic imperatives shaping defence strategy, an idea that finds expression in concentric circles, as a narrow and one dimensional strategy. Dupont highlighted the fact that Australia's defence thinking must take account the security concerns from regional states like Indonesia in the form of internal instability, proliferation of low intensity conflicts and most importantly terrorism, which have till now being neglected. Countering such asymmetrical threats would require greater flexibility on the part of the ADF and greater cooperation and coordination with the militaries of the regional states. This line of thinking also finds expression in Huge White's (2005) work in which he argued how developments since 2000 have significantly affected Australia's perception of its strategic interest. One such development had been the global war on terrorism which started to take a distinctively local and regional tinge for Australia, thereby promoting cooperation in counter-terrorism measures with Indonesia and other Southeast Asian states. White argues on the line of Alan Dupoint that the global security environment after 9/11 envisages a need for revision of Australia's strategic and defence policies set out in defence 2000 which have been based on state-to-state conflict.

The developments in East Timor in 1999 and Australia's role in the same were a significant catalyst behind the debates on Australia's defence priorities besides being a major test in Australia regional engagement diplomacy. A large body of literature dwelled on the East Timor issue. The works of Naidu (1999), Cotton (1999; 2004), Chalk

and Foden (2001), Goldsworthy (2005), Connery (2010) provides useful reading in the context of the work. The literature focussed on the historical background of the East Timor issue, the domestic and international context of Indonesian occupation of East Timor, the transformation of Australia's policy towards East Timor, Australia's policymaking in the events leading up to the 1999 crisis, the parameters that drove such policy, Australia mediatory role in the Tripartite Talks and its peacekeeping role in INTERFET, the role of other actors such as the US, UN and ASEAN over the Timor crisis, analysis of the ASEAN norms in the context, the perspectives of the Indonesian armed forces and most importantly the impact of the events on Australia's relations with Indonesia.

On Australia's bilateral defence and security relations with Southeast Asian nations, Singh (2001) provides a useful study in the history of defence relations between Australia and Indonesia and the manner in which geopolitical considerations had a dominant influence upon the relationship. His work provides a comparative study of the defence relations during the Keating and the Howard government, drawing attention to the attempt to engage Indonesia more closely by the former as exemplified by the Agreement on Mutual Security (AMS) and contrasting this with the severe decline in the engagement process during Howard era with East Timor policy causing serious deterioration in relations. Dibb (2007) provides an analysis of the geo-strategic factors that makes Indonesia a country of abiding strategic importance to Australia. However Dibb remains highly pessimistic about Australia-Indonesia relations arguing that it has the potential to be a significant source of tension and characterizes the defence relationship between the two as having a degree of ambiguity wherein Indonesia have the attributes of a valuable friend as well as – should the relationship deteriorate – a potential adversary. Fealey (2007) examines Australia's counter-terrorism cooperation with Indonesia in fighting terrorist ideologies - in addition to traditional measures of law enforcement, intelligence and legislative initiatives – flowing from Howard's government conceptualisation of fight against terrorism as a 'battle of ideas'. Fealey explores the government's perception of the battle of ideas, critiques of its policies and the complications it has on Australia's relations with Indonesia. Banlaoi (2005) presents a historical overview of the defence relations between Australia and Philippines and points

out to the 1995 MOU on defence cooperation as a landmark agreement since it formalizes their defence relations long being neglected since the demise of the SEATO. While Philippine-American defence relations after 9/11 diminished Australia's role in Philippines defence diplomacy, Banloi viewed the MOU on terrorism in 2003 as an important milestone in broadening of the defence relations which also contributes to Australia's regional diplomacy.

Australia's relationship with USA has been a significant factor in the former's engagement policy with Southeast Asia. It is this alliance which has generated debates on whether Australia needs to choose between its alliance relationship with USA and engagement with Southeast Asia, between its 'history' and 'geography'. Illuminating this debate has been a range of literature focussing on Australia's relationship with USA during the Howard period, the regional perception that this alliance generated and the impact it had on Australia's regional relationship. One significant aspect of this relationship is Australia's association with ANZUS. Edwards (2001) reflects upon the historical background of this association, both nations' perception towards it and its future prospects. He points out the manner in which ANZUS offers Australia significant strategic advantages, and its utility in the context of several major challenges to the security of the Pacific region – like the unresolved conflicts in Korea and Taiwan, process of transition of major powers like China and Japan, separatist conflicts in Indonesia and Philippines and other transnational problems like terrorism and proliferation of WMD. Fatuana (2001) provides an analysis of Southeast Asian perspective towards the alliance showing the manner in which ANZUS have received relative lack of attention in the Southeast Asian region except with the case of Indonesia whose attitude towards it – as with other military alliances – was characterized by an element of indifference. She also highlighted the regional concerns towards the alliance in areas such as Australia's projection of military force in the region or the country's support for NMD. Tow and Albinski (2002) pointed out the manner in which ANZUS have defied many common propositions in international relations theories – like instruments of short-term expediency and interest dependent commitment – about how alliance generally works. By contrast the article shows how cultural and normative factors have played a critical role in sustaining the alliance. Tow (2004, 2005) also presents both sides of the debate on

ANZUS – one which sees the immense politico-strategic benefits that the alliance presents to Australia and the other which perceives Australia's actions purely as an US 'deputy sheriff'. He also analysed Australia's endeavour to balance between regional engagement and global strategies involving the ANZUS alliance from the Hawke-Keating government to the Howard era. Tow highlighted the manner in which 9/11 has actually intensified ANZUS strategic collaboration thus invoking significant reactions from regional neighbours. He argued that in light of the Iraq crisis and persistence of global terrorism, ANZUS provided a major test for Australia, about the ability of the country to balance between regional and global security policy approaches.

This contradiction between Australia's history and geography has been pointed out in other works covering a range of issues. Camilleri (2002) provides a critical analysis of the notion of 'national interest' as perceived by the Howard government with an emphasis on military security and pre-emption, and the impact such perceptions have on regional relations. While analysing the regional response, Camilleri explains the manner in which, despite entering into cooperative bilateral and multilateral counter-terrorists arrangements with Australia, there is substantial suspicion among the countries of the region over Australia's policies. Snyder (2006) examines the impact of Australia's compliance with US strategic objectives on relations with Southeast Asia. He argues that while most of the regional states favour US military and strategic role in the region, it is the regional perception of Australia policy – such as the latter's support for pre-emptive strikes, hesitancy in signing the TAC, alleged comments about being US 'deputy sheriff' etc. – which taken together is perceived as Australia's intension to project forces in the region. Verrier (2003) provides a useful insight into the deterioration of Australia's regional credentials following its participation in the Iraq war. He analysed Australia's commitment in Iraq war, the regional perception towards the same, while arguing that it signified a 'drift' away from Australia's national interest placing the country out of step with the region with most of them viewing the war as being against Islam. Robertson (2006) on the other hand provided an optimistic account of Australia's relations with Southeast Asia on the economic front showing that there have been no adverse effects on economic relations by Australia's decision to join the US in Iraq. In the backdrop of Australia signing FTA agreements with Singapore and Thailand opening the way towards

more meaningful economic relationships, Robertson argues that with the political, economic and socio-cultural relations taken together the Howard/Downer era even outshines the so called 'golden age' of engagement with Asia under Keating/Evans. Similarly, Richardson (2005) highlighted the manner in which despite past differences there has been a deepening of engagement between Australia and Southeast Asia in particular reference to Australia's participation in the inaugural East Asia summit. Richardson highlighted the manner in which Australia's participation in the East Asia Summit (EAS) is in the interest of both Australia and Southeast Asia.

The works of Sundararaman (2002), Dibb (2003), Ungerer (2006) and Chau (2008) provides useful insights into the impact of the events of 9/11 and states' response to global terrorism on Australia's regional relations under Howard. Sundararaman (2002) analysed the domestic reactions faced by the Southeast Asian governments of Indonesia, Malaysia and Philippines which created difficulties in their counter-terrorism activities. She discussed the manner in which the internal dynamics of these countries, with the present of pro-Islamic groups which were critical of the US action on Afghanistan and Iraq, posed a big challenge for these countries to align with the US strategic objectives thereby creating complications for Australia's regional diplomacy. Dibb (2003) examines the regional perception of US counter-terror policies in the aftermath of the events of 9/11. He highlights the perceptions of Southeast Asian nations over US perception of terrorism, particularly the linkage between terrorism and Islam, and the impact that such perceptions has on Australia's key relationships such as the one with Indonesia. For Dibb, while the US alliance presents considerable strategic benefits for Australia, balancing the alliance with its interest in Asia will be the key to Australia's strategic policy. Ungerer (2006) highlights the complexities of the terrorist threat to Australia emanating from Southeast Asia. He points out the threat perception to Australia and the latter's response through bilateral modalities. Ungerer pointed out two major challenges facing Australia: one is that despite cooperation with regional governments the complex intersection of localised grievances and separatist movements in the region makes the problem of tacking terrorism difficult. And the other is that, though intelligence remains the most effective tool, Australian intelligence agencies remain ill-equipped to handle the problem in a long run. Chau (2008) evaluated the notion of ASEAN security community in the

context of the associations' response to the 9/11 terrorist attacks. He points out the limitations of ASC in the context of ASEAN's code of conduct of non-interference and respect for state sovereignty. Chau highlighted how practical counter-terrorism cooperation exists rather at the bilateral level that too mostly with external partners like Australia and USA.

Objectives of the Study

The work was undertaken with the following objectives in mind:

1. To examine the mode of engagement undertaken by the liberal-national coalition government of John Howard towards Australia's Southeast Asian neighbours.

2. To point out the constraints in Howard's engagement policy emanating from the regional states and to examine the political, economic and cultural dimensions of such constraints.

3. To examine the impact of Australia's defence and strategic policy, undertaken by the coalition government, on the country's regional engagement diplomacy.

4. To examine the impact of Australia's ties with US on its attempt to engage with the region and see how effectively the coalition government was able to able to balance the two.

Hypothesis and Research Questions

The work rests on a central hypothesis that emphasis on bilateralism by the Howard government led to a substantial deepening in Australia's engagement with Southeast Asian region with strong defence, economic and security ties between them. The logical corollary of this is the secondary hypothesis, that while traditional security ties have been significant, non-traditional security issues have pushed forward an increased coordination between Australia and the regional states.

Based on these hypotheses, the following research questions were derived:

1. To what extent did John Howard's policy of engagement with the Southeast Asian countries differ from his predecessors and what implications did the change have on Australia's engagement policy?

2. What are the factors behind Howard's preference for bilateralism in engaging with the regional states?

2. What impact did Australia's defence policy have on Australia's security and defence relations with the Southeast Asian nations?

3. What are the policy areas in which Australia's alliance with the US effected its regional engagement?

4. How effectively was Australia able to pursue the balance between maintaining a strong alliance with the US and engaging with the region?

Rationale and Methodology of the Study

In 1996 John Howard took over the office of the Prime Minister of Australia after the Liberal National Coalition won the 1996 Federal elections, and ended up as the longest serving Prime Minister of the country in contemporary period and only second to Robert Menzis overall. However more than the duration of the tenure, it was the time in which he took over office and the subsequent period of governance that necessitates an assessment of Howard and the liberal coalition. It was a period when both Australia and the region were undergoing profound transformation, partly brought about by the changes at the global level in a post Cold War environment as well as by developments in the national and regional realm.

Two aspects have always dominated Australia's foreign policy throughout history. One was the strategic necessity to develop relations with a great power as a security guarantee, which exemplifies Australia's links with Great Britain and then the

United States. And the other was, as an aspect of that necessity, of dealing with its own region being a cultural misfit with a history of threat perception defining much of Australia's foreign policy. Nowhere was the contradiction between the two foreign policy elements greater than during Howard's tenure. The fact that a conflict exists between the two foreign policy goals was reflected right at the beginning of Howard's tenure when the Prime Minister reputedly asserted that Australia did not need to choose between its history and geography. Australia's policy towards Southeast Asia, the core region of the country's Asian engagement diplomacy, assumes enormous importance in the context of the regional transformations during the Howard's tenure. Economically, the Asian financial crisis almost undermined the whole notion of a prosperous Asia to be tapped for Australia's benefit. Bilaterally, the East Timor episode presented itself as a huge test case for Australia's relations with its most significant neighbour. Strategically, the threat of terrorism and Australia's response therein assumed enormous significance as far a regional perception is concerned. All such events that occurred in Southeast Asia during the Howard's tenure raises significant questions regarding Australia's identity as a nation, its place in the region, the linkage between the cultural and political aspects of regionalism, and also demonstrated the way in which different nations perceive the notions of regionalism, security, sovereignty, and intervention, the elements which were in increasing focus in Australia's dealings with the region.

In an attempt to make a proper examination of such elements and dynamics of Australia's engagement diplomacy with Southeast Asia, the study thereby, rather than focussing just on the the twelve years of the period of John Howard, also looks at the historical narrative of the Australia's perception towards the region going as far back as Australia's emergence as a federation. For an insight into the narrative of Australia's official policy towards Southeast Asia the work used a range of primary sources such as the Commonwealth Parliamentary Debates of Senate and House of Representatives, the Ministerial Statements therein, reports from Australia War Memorial, media releases from the Department of Foreign Affairs, committee reports on Australian Foreign Affairs and Defence, White Papers and Strategic Reviews, the two volumes of Facing North published by the Department of Foreign Affairs and Trade. Secondary sources like books and journal articles especially the works of Milner, Firth, Reynolds, the edited works of

Goldsworthy, Meaney, Jupp, Ravenhill, Higgot and Nossal, Beeson, Darlmpyre etc. were used to understand the narrative of Australia's perception towards the region. Such a narrative assumes importance because the issues and debates related to the period of the study does have a strong historical connotation, most importantly Australia's identity as a nation and the manner in which the twin factors of culture and geography influences the country's policy making. Thus the work used this regional perception as a background for studying Howard's engagement policy towards the region.

Other than making an evolutionary analysis of Australia's foreign policy towards the region, the work also used the framework of middle power behaviour and the usage of the term in the context of Australia's regional diplomacy. Secondary sources on middle powers especially the works of Holbraad, Wight, Carr, Scott, Cooper, Ungerer, and Evans were used to study the normative, behavioural and systemic framework of middle power behaviour and then policy statements were studied to place Australia's policy within the framework. Like the narrative of the Australia's perception towards the region, the middle power framework also assumes importance in the context of the period of study as it opens up new debates on the political connotations behind the usage of the term.

For a study of the Australia's engagement policy during Howard, a great deal of reliance was placed on primary governmental sources. The PM Transcripts, published by the Department of Prime Minister and Cabinet, were used for policy statements, speeches, interviews and briefings of John Howard. Speeches, media releases, transcripts, statement and messages from online archive section of the Australian Minister for Foreign Affairs and Australian Minister of Trade were used for the views of Alexander Downer's, Tim Fischer, Mark Vaile as well as their respective department's policy making over the issues of concern. In addition to this, Foreign and Trade Policy White Papers; Defence White Papers; Annual Reports published by the DFAT; Defence Annual Reports; Defence Reviews and Updates; Australia's strategic policy and strategic review documents; Ministerial Statements and reports from the Parliamentary debates of Senate and House of Representatives; reports, media releases, joint declarations and committee reports published by the DFAT; research papers and issue briefs by the defence and trade groups of the Parliament of Australia; press statements, reports and declarations from

ASEAN Secretariat and ARF etc. were used for examining the official policy line of the Australian as well as the regional governments' covering the period of study. On the other hand secondary sources such as books, journal articles, policy briefs etc were used. Two important series of secondary literature were extensively used. One was the 'Perspectives of Australian Foreign Policy' series published annually by *Australian Journal of International Affairs*, and the other was 'Issues in Australian Foreign Policy' series published biannually by *Australian Journal of Politics and History*. Such secondary literature were used for placing the official policy line within a framework of analysis, for pointing out the inconsistencies in policy statements and actual course of action, and for an examination of Australia's policy in the context of the debates of the country's engagement diplomacy.

Organization of the Study

The narrative of the study is divided into five chapters. The first chapter presents a historical overview of Australia's perception towards Asia since its emergence as a federation. The Chapter has three sections. The first part begins by providing an analysis of the political and cultural influence of Great Britain in Australia's foreign policy after its emergence as a federation and shows the manner in which such connection shaped Australia's perception towards Asia. One such policy, of racial exclusiveness towards the Asians based on a perception of threat from Asian immigrants, is focussed in the chapter. The section also highlighted the manner which the Japanese threat during the Second World War led to Australia's tilt towards USA as its security guarantor. The second part provides an analysis of Australia's emergence as a middle power in the post war period. A conceptual analysis of the term is provided along with an assessment of Australia's assertion as a middle power in the affairs of the region. By explaining Australia's links with Southeast Asia in the post war period, this section pointed out the contradictions between the notions of 'self-interest' and 'good international citizenship' – associated with middle power behaviour - in the context of Australia's regional diplomacy.The final section of the chapter provided an analysis of the complexities and challenges faced by Australia from Asia, with a specific focus on Southeast Asia, during the Cold War and Australia's policy response. The section highlighted the manner in which the context of

the Cold War and its extension in Southeast Asia generated Australia's forward defence strategy in association with USA, the greatest manifestation of which was Australia's association in the Vietnam War. The chapter also extends the contradictions in middle power behaviour in the context of Australia's participation in the Vietnam War.

The second chapter places the liberal coalition's mode of engagement with Southeast Asia in the context of a broader transformation of Australia's orientation towards the region. The chapter has four sections. The first section presents an overview of the emergence of regionalism in Southeast Asia and the role played by the ASEAN norms in the evolving regional outlook. The second section focuses on the development and evolution of Australia's relations with ASEAN in the context of Australia's reorientation towards Southeast Asia, the underlying economic and strategic factors behind the same, of the successive Australian governments of Whitlam, Frazer, Hawke and Keating. It highlights Australia's pursuance of economic and security regionalism through its contribution towards the establishment of regional institutional mechanisms and the continued usage of middle power as an element of Australia's regional diplomacy. The section also highlights the regional challenges that Australia faced in its conceptualisation of regionalism. In the context of the challenges to Australia's form of regionalism, the third section analyses the contradictions in Australia's identity and position vis-a-vis the Asian region. It then looks in the liberal coalition's foreign policy approach towards Southeast Asia while highlighting the continuities and differences in the liberal's conceptualisation of Australia as a nation and its form of engagement with Southeast Asia from that of the predecessors. The fourth section takes the cases of Hansonism, the Asian Financial Crisis and the East Timor issue to examine the challenges to the liberal perception of the region and its mode of engagement with the same. This section looks into the influence of race in Australia's attitude towards the region, the extent to which Australia's regional perception has been undermined by the financial crisis, the position Australia held in the context of the emergence of exclusive regionalism in the post crisis period, and the extent to which liberals' emphasis on bilateralism was undermined by the East Timor crisis. The section also looks into the challenges in the context of the competing visions of regionalism as propagated by Australia and other regional states such as Malaysia.

The third chapter makes an assessment of the liberal national coalition's mode of economic engagement with Southeast Asia. The chapter has four sections. The first section presents an overview of ASEAN's role in the evolution of regional economic integration in Southeast Asia and the manner in which the regionalism process was affected by the transformation brought about by the end of Cold War. The section also covers Australia's trade liberalisation initiatives through the development of CER, an overview of Australia-ASEAN economic linkage and Canberra's diplomatic endeavour towards the development of a cooperative economic framework between Australia and ASEAN through the promotion of the AFTA-CER. The second section makes an analysis of the Howard's mode of economic engagement with Southeast Asia by placing it in the broader context of liberal-coalitions approach to foreign policy. Consequently, the elements of bipartisanism as well as the differences in approach in terms of economic engagement with the predecessors are highlighted. The section looks into coalitions' attitude towards the multilateral approach through its perception towards multilateral institutions like APEC and the country's role in the development of AFTA-CER. The third section looks into the factors promoting a move towards bilateralism. This is done by examining the factors challenging the regional multilateral processes by the end of the 90's. APEC and ASEAN's response to the financial crisis, the different conceptualisation of liberalism as evident in the EVSL, emergence of the pan Asian regional consciousness in the form of the APT, Australia's position vis-a-vis this Asian regionalism agenda, and the factors behind the indecision over the AFTA-CER are discussed. The final section looks into the liberal coalition's propagation of free trade agreements as a mode of bilateral engagement with the countries of the region. The section makes an assessment of Australia's FTA with Singapore, Thailand and Malaysia, while looking at the importance of FTA beyond the economic utility to have a significant political connotation. This part also looks at the manner in which bilateralism has led to a revival of the regional engagement process in the latter part of the liberal coalition's tenure.

The fourth chapter examines Australia's strategic engagement with Southeast Asia during the Howard period. The chapter has four sections. The first section presents a historical overview of the evolution of Australia's strategic perception towards Southeast Asia from a source of threat to an emphasis on security regionalism particularly in the

post Cold War period. The second section highlights the liberal coalition's perception towards regional security, its policy response to the changes in the regional security environment in the post Cold war period, and the government's perception of the challenges and opportunities facing Australia through an analysis of the government's reviews of the strategic environment. The third section makes an assessment of the bilateral and regional approaches of Australia's strategic engagement with Southeast Asia. At the regional level Australia's perception towards ASEAN and ARF is analysed. At the bilateral level specific focus is in Australia's relations with Indonesia during one of the major test case of Australia's regional engagement policy – the crisis in East Timor. The section also examines Australia's role in the East Timor crisis within the framework of middle power behaviour. The final section looks into the impact of the events of 9/11 on the promotion of Australia's security cooperation with Southeast Asia. The section looks at Australia's response to 9/11, the elements of difference with the country's response to the Bali bombings as far as attitude towards an assessment of source of terrorist threat is concerned, and the coalition's emphasis on practical regionalism in cooperating against trans-national security threats.

The final chapter examines the Southeast Asian perception towards Australia's alliance with US and its impact on Liberal coalition's regional engagement. The chapter has four sections. The first section highlights the Howard's government's assertion of an absence of conflict between Australia's history and geography and the justifications thereof. In this context, the government's balancing of the two most important foreign policy priorities – US alliance and regional engagement – as well as the basis of the US alliance for Australia's regional security environment is examined. The section also highlights the convergence in Australia's and ASEAN's perception of the US presence in the region. The second section examines the cases which undermines the liberal coalition's assertion of the convergence in Australia's history and geography. It highlights the manner in which regional developments and Australia's policies therein generate a negative perception from the region towards Australia on lines on identity and culture. The third section examines the manner in which the events of 9/11 galvanized this distinctiveness on Australian identity from a regional perspective. The section highlights Australia's response to 9/11 through an assertion of shared values with the US

leading to the country's support for US-led war on Afghanistan and Iraq. This will be done through an examination of Australia's perception towards the concept of pre-emption and state sovereignty. The final section looks at Australia's perception of Southeast vis-à-vis the threat from terrorism. This section discusses Australia's attempt to delink terrorism from Islam, the political and strategic reasons for doing the same, and the country's justification for its counter-terrorism policy. The section also examines the regional interpretation of Australian policies and the country's association with US policies. Finally, the section highlights the domestic complexities in the regional states which underline their reactions towards counter-terrorism.

Chapter – 2

Australia's Emergence as a Middle power and a Historical Overview of its Asia policy

Asia is and had always been a significant region influencing Australian foreign policy since its emergence as a federation. Even as the category of 'Asia'– it's geographical embracement and associated cultural underpinnings - are widely debated by scholars and practitioners alike[1], visions of a pan Asian regional identity and its perceived similarities or differences with an Australian identity always exerted a powerful influence over the country's interaction with its northern neighbors[2]. These notions of identity combined with various economic and security imperatives of Australia in the region as well as in the global arena led to divergent evaluations of the perceived opportunities, challenges and threats that the region presented thereby influencing the policies of successive Australian governments. The evaluations reflected in numerous scholarly analyses which recognized the geo-strategic importance of Asia for Australia's foreign policy (Dibb 2006), but at the same time also generated different perspectives of the country's position from being closely engaged with Asia (Jones and Benvenuti 2006; Richardson 2005) to 'Asia's odd Man out' (Beeson and Yoshimatsu 2007) or being in a position of liminality as it remains attached to the old world as an western outpost even as it is attempting to develop a distinctive identity and engage with Asia (Higgot and Nossal, 1997).

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[1] The category of 'Asia' in some definitions constitutes almost half of the globe. It comprises a diverse group of countries embracing hundreds of different language and cultural group. Many scholars points out that thinking of this vast and diverse area as a homogeneous group of 'Asians' as if they drew upon a single cultural tradition and possess common identity is an ethnocentric mistake made by many Australians even now. For details See Stewart Firth (2005), *Australia in International Politics: An Introduction to Australian Foreign Policy*, New South Wales: Allen and Unwin, pp. 44-45.

[2] There also exists considerable fluidness over questions of what should constitute the 'region'. Ambiguity over inclusion and exclusion complicates the formation of any future regional security Architecture and Australia's place in the same as it is still unclear as to quite where the boundaries are to be drawn. For a detailed analysis on definitional ambiguities regarding Asian security architecture see, William T. Tow and Brendan Taylor (2009), "Emerging Regional Security Architecture: An Australian Perspective", in William T. Tow and Chin Kin Wak (eds.) *ASEAN-India-Australia: Towards a Closer Engagement in Southeast Asia*, Singapore: Institute of Southeast Asian Studies, pp. 4-10.

One major reason for such ambiguities in Australia's position had been the historical projections of the Asian region by Australian foreign policy elites and policymakers. These projection weren't static throughout and were transformed in consonance with the changes taking place in the region itself as it moves from being an arena of 'battlefield to a market place'(Murray 1994: 350). This chapter presents a historical overview of Australia's Asia policy in general and Southeast Asia in particular during the phase when threat perceptions loomed large over any interaction between the two. These perceptions were rooted on assertions of identity exemplified through the White Australia Policy and subsequent racial exclusiveness towards the Asians. Racial threats were subsequently overshadowed by security threat first from Japan and then from communist incursions emanating from Southeast Asia, as the region itself became the arena of the broader cold war conflict. Developments in Asia paralleled significant changes in Australia itself as the country attempted to move beyond its dependence on Great Britain and assert a more independent posture in the Pacific affairs as a significant middle power. As the east-west conflict took shape, containment of communism became a common ground for Australia's strategic alliance with USA, characterized as the former's 'great and powerful friend' (Harper1987), which in turn had a powerful impact on Australia's regional policy.

British Connection, Racial Exclusiveness and Emergence of National Identity

Even after independence in 1901[3], Australia couldn't attain sovereign status as for the first few decades not only were Great Britain in charge of major administrative and foreign affairs of Australia, but the latter also clung tightly to the British imperial worldview. Australia adhered to the British grand strategy of maintaining the balance of power in Europe as it perceived that any alteration in the distribution of power, irrespective of the geographical distance, will have an effect on Australia's security and

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[3] The Australian constitution approved by the British Chamber of commerce came into effect on Jan 1st 1901 when the commonwealth of Australia (still the official name of the state of Australia) was introduced and inaugurated. The constitution proclaimed the country as an independent dominium. However Australia even after 1901lacked the legal capacity to make treaties with foreign states as it was Great Britain who was in charge of external affairs and defense.

well being (Griffiths and Wesley 2010: 14)[4]. However there were two areas where Australia had a freedom to act – immigration and foreign economic policy – and its independent assertion in these areas was in a way also a reflection of its mindset towards the Asian region. The very first significant piece of legislation passed by the new federal government - Commonwealth Immigration Restriction Act, 1901 - triggered the 'White Australia policy' with an objective of creating an ethnically homogenous society by prohibiting non-white immigration to the country.

The white Australia policy sought to create an Australian nation which was predominantly 'British' in character by curtailing low wage immigration into Australia of Asian people with lower educational and living standards which it was feared would depress working and living conditions. Advocated not only by crude populist but also by popular statesmen such as Sir Edmund Barton, the First Prime Minister of Australia, and his successor Alfred Deakin -'an otherwise progressive and educated liberal' - and espoused by both conservatives and Labor side of the political spectrum, the objectives of the White Australia Policy was an expression of a much larger notion of racial superiority (Jupp 1995: 207). The racial overtones were very much evident when Barton in support of the Immigration Restriction Act in context of a huge influx of Chinese gold miners in Australia stated that 'the doctrine of equality of man was never intended to apply to the equality of Englishmen and Chinamen (Barton cited in Petrilli and Ponzio 2009: 318)[5]. Similarly, Alfred Deakin, echoing Australia's geopolitical anxieties and determination to maintain its racial exclusiveness argued that Australians

> With little more than nominal occupation of half the continent is so stubbornly British in sentiment that it proposes to tolerate nothing within its dominions that is not British in character
>
> (Deakin 1968: 80)

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[4]Australia's subscription of Britain's grand strategic imperatives also manifested in its military support for the British Empire. Australian corps participated in British military operations in Sudan in 1885-86; dispatched HMAS protector in addition to materials and troops to help the British (as part of the Eight-Nation Alliance) in suppression of Boxer rebellion in China from 1897-1901; helped British empire in the Boer war against the Dutch settlers in 1899-1902. It joined the United Kingdom in World War I in 1914.

[5] However later in response to the objections from the British Government, the Burton Government was forced to remove this wording from the Act. See Susan Petrilli and Augusto Ponzio (2009), "Migration and Hospitality: Homologies between Europe and Australia", in RenetaSummo-O'Connel (ed.) *Imagined Australia: Reflections around the Reciprocal Construction of Identity between Australia and Europe*, Germany: Peter Lang Pub. Inc, p. 318.

For Australia, such exclusiveness was not only rooted on racial superiority but also from the so called 'fear exhibited by confessedly inferior stocks' (Jordan 2013:80), most notably the Japanese and the Chinese immigrants which were perceived as a threat to the nascent homogenous Australian federation. Interestingly however for Deakin, the danger of Asians 'came not from the vices but from their virtues' (Dutton 2002: 28) as he argued:

> It is not the bad qualities, but the good qualities of these alien races that make them so dangerous to us. It is their inexhaustible energy, their power of applying themselves to new tasks, their endurance and low standard of living that make them such competitors[6].
>
> (Deakin cited in Jupp 2007:11)

In the same year the Pacific Islands Laborers Act, 1902 provided for repatriation of all pacific Islanders working in Australia and excluded emigration to Australia by such people after 1904. The government maintained its white Australia policy through the mechanism of a 50-word dictation test which enabled the government to sustain its racial exclusiveness. The test proved very difficult for Asian immigrants to get through. Restrictive immigration based on racial superiority in an underprivileged neighborhood was instrumental in maintaining a cultural distance between Australia and its Asian neighbors. While exceptions to the prevention of entry were there for businessman, students or any person of distinction, they were only temporary in nature and anyway formed a small percentage until the Colombo Plan led to the arrival of a relatively more number of students mainly from Malaysia and Singapore (Jupp 1995: 209). Similarly, 'New protectionism' underpinned the foreign economic policy of Australia under Deakin. It comprised abandonment of free trade and imposition of an external tariff to manufactured import thus marking a departure from British Liberal economic policy where free trade 'was almost an article of faith' (Firth 2005: 24). This departure too had an Asian connotation as protectionism and high import tariff was intended to maintain the

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[6]Deakin feared that given the frugality of the Japanese industry, if allowed to enter Australia they would be too successful in competing with the Australian counterparts.

relative high standard of living in the island of European affluence far from England and amidst Asian poverty.

However Australia's general adherence to Britain's strategic imperatives meant that independent actions - whether race based immigration policy or economic policy in the form of protectionism – was 'always in the context of influencing imperial policy and rarely, if ever, in support of creating an independent Australian policy designs (Evans and Grant 1995: 21). So, mellowing down of racial overtones initially made by Burton or modification of the dictation tests in fear of offending the British subjects and its allies specially Japan points out to the inherent character of Australian diplomacy which was always conducted in analogy with British officials. It was Canberra's lack of power as well as diplomatic independence vis-a-vis Great Britain that largely precluded the possibility of flexibility and influence in international affairs. Thus it was hardly a surprise when Australia promptly joined Great Britain during the 1st World War with party leaders across the political divide pledging support for the British Empire. Australia's cultural and strategic adherence to United Kingdom at the beginning of the war was expressed in a speech by Prime Minister Andrew Fisher, where he said,

> Turn your eyes to the European situation, and give the kindest feelings towards the mother country.....Australians will stand beside our own to help and defend her to the last man and the last shilling[7]
>
> (Cited in Meaney 2009: 11).

However events both preceding and following the 1st World war, and the chronicle of Australian participation in it, brought into fore some significant elements which subsequently affected the country on three crucial areas of foreign policy making - its links with Great Britain, its own standing in world politics and its perception towards Asia. Firstly, even though Australia closely associated itself – both culturally and

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7 As a matter of fact the outbreak of the war was greeted with considerable enthusiasm by most Australians. The First Australian Imperial force formed in August 1914 was a voluntary force first sent overseas to fight and defend the Suez Canal followed by landing in Gallipoli. While for many Australians it was a sort of adventure, a chance to see the world, a job at five shillings a day or an escape from family problems, many were also filled with ideas of fighting for the glory of Empire. For details see Stewart Firth (2005), *Australia in International Politics: An Introduction to Australian Foreign Policy*, New South Wales: Allen and Unwin, p. 25.

strategically - with Great Britain, there were elements of divergent national interest as well. Perception towards Japan was one significant area of contention and the renewal of Britain-Japan alliance in 1914 was viewed by Australia with distrust as it regarded the threat from Asia, principally from Japan as most imminent. Subsequently, reduction of British naval presence in the Pacific made clear that the 'defense of the Pacific' – where Australia possessed its own colony in the form of British New Guinea – 'was of more urgent national priority for Australia than it was for the motherland' (Firth 2005: 24). Australia responded by pressing for an independent Royal Australian Navy and from 1913 Australia had its own naval fleet to go along with conscription of young Australians for home defense. These initiatives in defense, even though conducted within the loyal imperial framework, were also evidence of uniquely Australian priorities. Later at Versailles, Prime Minister Hughes protested against the transfer of Micronesian Islands to Japan which later would serve as its springboard in World War II at considerable cost to Australia.

Secondly, even within the sovereignty of the British Empire a gradual assertion of independent Australian identity was taking shape. Emergence of an Australian national identity had its roots in the events of Gallipoli, where the sacrifices of Australians turned into, what Jim George (2008: 19) describes as, a 'narrative designed to serve a particular cultural and political perspective on Australia and its role in the world'.[8] In the post war Paris Peace Conference, Australia, concerned with possible reluctance of Great Britain to give priority to Australia's interest in the Pacific, demanded its representation as an independent delegation and not as a part of the delegation of the British Empire.[9] Led by Billy Hughes as Prime minister and supported by Canada, Australia justified its independent presence as a right it has earned by the great sacrifice and loss of life it had made in fighting the war. The acceptance of Australia's demand, after initial opposition

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[8] The Gallipoli campaign begin in 25th April 1915 in the Gallipoli peninsular (Turkey) where the Australian Imperial Force disembarked along with the British and the French forces to crush the Turkish force and secure a sea route to Russia. It ended in a failure in which more than 8,000 Australian soldiers lost their lives. However the campaign symbolized the new feeling of Australian national identity and birth of Australian as a 'nation' wherein the heroism and courage of the soldiers earned enduring respect and gratitude. The day of the landing is marked as ANZAC day. The event also led to a larger debate whether young Australians should be conscripted in military service in far off land.

[9] Initially the British Dominion governments of Australia, New Zealand, Canada, India, Newfoundland (which later joined Canada in 1949) and South Africa were not granted separate invitation to the conference, but expected them to send representatives as part of the British Empire delegation.

particularly from USA, meant that the country had a voice for the first time at the world stage. 'Asia threat' principally from Japan loomed large over Australia's demands in the Paris Peace Conference – whether it was the occupation of the German New Guinea or the refusal to accept the racial equality provision of the League covenant. Already concerned about the possibility of an expansionist Japan in the Pacific, retaining New Guinea was vital to Australia's security. So was the rejection of the 'racial equality' clause, as it posed a threat to its 'White Australia Policy'. Though Australia eventually got a 'C' class mandate over New Guinea[10], its success in lobbing Great Britain to reject the 'racial equality' clause reinforced its independent standing in world politics while also maintaining its racial superiority principle over the Asians. This was aptly reflected in Hughes address to the Federal Parliament wherein he announced:

> The White Australia is yours. You may do with it what you please, but at any rate, the soldiers have achieved the victory and my colleagues and I have brought that great principle back to you from the conference, as safe as it was on the day when it was first adopted
> (Hughes cited in Lake and Reynolds 2008: 308)

However the conference was to inflict upon Japan, what Shimazu (1998: 181) argued, 'a deeper psychological effects then has generally been understood'. The unwillingness of the western powers to treat Japan as an equal influenced its move towards nationalist policies eventually leading to the Second World War.

The preceding two elements depicted a sort of a paradox in Australian society, as well as in the country's position in the international arena. On the former aspect, while Australia was more British than ever in the political and economic domain, popular sentiment for the Empire weakened in the Post-War period. For Australia, one outcome of the war had been the fading of the radical stream of opinion which wanted a separate destiny for the country free from constrains of the Old World. Thus in the interwar period Englishmen dominated Australian prominent administrative positions; Australia had no diplomatic representatives in a foreign country apart from its representatives in the

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[10]While Wilson opposed Hughes's demand for New Guinea, he also was against the Japanese demand for territorial claims North of Equator. To prevent Japan from gaining the territories Hughes compromised by agreeing to the system of 'mandates' which gave Australia a virtually free hand over New Guinea but under the supervision of League of Nations.

League of Nations and a single councilor appointed to the British Embassy in Washington thus content with letting London represent it; and the system of 'imperial preferences' under the Ottawa agreement of 1932 resulted in a foreign economic policy which also was essentially pro-empire[11]. At the same time however, the Gallipoli incident aroused considerable public sentiment turning it into a symbol of uniquely Australian nationhood, consequently which ANZAC day far eclipsed Empire day as a celebration of patriotism. The weakening popular sentiment intensified at the height of the great depression with many putting the blame of widespread misery and unemployment in Australia on British banks and bondholders (Firth 2005: 26-27). The paradox manifested in Australia's characterization as having a strong, resilient and independent character while at the same time having an abiding sense that it could not defend itself without the protection of Britain (Renouf 1979: 25; Reynolds 2005: 347-348). This dependence on Britain to secure itself both regionally and globally entailed Australia to adopt, in George's (2007: 18) words, an 'insurance policy logic' of placing its troops at the disposal of the British Empire in far off lands expecting the latter to ensure Australia's security in the event of an attack on its territory.

Japanese Threat, US Security Guarantee and Debates on Australian Identity

The importance of British security umbrella, despite embryonic nationalist assertions that took shape in Gallipoli, was also a reflection of the continuity of traditional international relations agenda. It is an agenda dominated by a broad realist mindset where economics is perceived at best as a 'supplementary dimension to a world of endemically warring states provoked into violence by a constant security dilemma in an anarchical system' (George 2007: 19). Thus for Australia, a strong independent character - to generate 'men, money and market required to develop a modern capitalist economy populated by white immigrants who would bind together in a vulnerable continent' (Clark 1987: 520), subsided the bleak realist scenario of being located in an

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[11] The Ottawa conference was a conference of British Colonies and independent dominions to discuss the great depression. Adopting the principle of 'home producers first, empire producers second, and foreign producers last' the conference worked to establish a zone of limited tariff with the British Empire, but with high tariff with the rest of the world – also termed as 'imperial preferences'. This pattern of trade discriminated with Japan and USA and tied Australia economically to Great Britain much to the annoyance of USA.

isolated continent on the fringes of threatening Asian forces. This scenario turned into a reality with the Japanese military expansion in the Pacific.

The Japanese threat was preceded by traditional ritual and rhetoric as Australia, espousing the 'insurance policy logic', joined the Second World War on the side of Great Britain and simultaneously declared war on Germany in 1939. Australian Prime Minister Robert Menzies, espousing the necessity of aligning Australian diplomacy with the British Empire, announced on 3rd September 1939:

> It is my melancholy duty to inform you officially that in consequence of persistence by Germany in her invasion of Poland, Great Britain had declared war upon her and as a result, Australia was also at war
>
> (cited in Waters 2012: 1)

The unstated implication of the statement was that Australia has a reciprocal responsibility to participate in any war involving London as it was only the latter that have the wherewithal to protect Australia from power plays of other European states and Asiatic nations, notably the threats posed by German and Japanese expansionism (Chalk and Foden 2001: 6). Australian division was send to the Middle East on the assumption that Great Britain would reciprocate by sending its fleet to Singapore with the objective of containing Japan in the Pacific. However with the extension of the Second World War on the Pacific theatre, all Australian assumptions regarding the 'insurance policy logic' stood undermined, as the dreaded possibility of 'Asia Threat' became a reality. The catastrophic bombing of two British warships *HMS Repulse* and *HMS Prince of Whales* in the Pacific incurred a severe blow to the 'Singapore strategy' which not only was the cornerstone of British Imperial defense policy in the Far East but also the basis of Australian dependence on Great Britain from northern incursions. The German defeat of France in 1940 was already a massive setback to Britain and its subsequent failure to prevent the Japanese occupation of Malaya and Singapore in 1942, termed by Churchill (1985: 81) himself as the 'worst disaster and largest capitulation of the British military', dissipated the European imperialist buffer in the far east between Japan and Australia increasing the latter's sense of peril (Firth 2005: 30; George 2007: 20). Already in shock with the fall of Singapore and resultant 17,000 Australian servicemen and women being

captured as prisoners of war, Australia in February 1942 were facing Japanese bombing on the northern coastal cities of Darwin and Broome. The collapse of the 'Singapore strategy' followed by Great Britain's inability to preempt Japanese incursions in Darwin put the Australian government, for the first time in history, in a challenging position of ensuring its survival (Watt 1967: 51). Referring to the period as the 'gravest hour' of the country's history, Prime Minister John Curtin's insisted, against the wishes of Great Britain, on the immediate return of the Australian Imperial Force (AIF) troops - originally meant to defend Burma - to the protection of the native soil. The events underscored a simple reality in Australia that UK's capacity to provide for Australian interest in the Pacific was at best extremely limited. Conversely there started to grow a consensus among government circles that it was the US that could best guarantee Australia's forward defense in Asia (Chalk and Foden 2001: 7). The critical importance of Pacific security for Australia against Japanese threat and the ability of the US as a sole power that could provide for that security were already reflected earlier in a New Year message of Curtin titled 'The Task Ahead' published in Melbourne Herald in 27th December 1941. Curtin famously said:

> Australia asks for a concerted plan evoking the greatest strength at the Democracies' disposal, determined upon hurling Japan back…. The Australian Government therefore regards the Pacific struggle as primarily one in which the United States and Australia must have the fullest say in the direction of the Democracies' fighting plan…. Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom…..we shall exert all our energies towards the shaping of a plan, with the United States as its keystone…

> (Cited in Churchill 1985: 7)

The dominant role played by USA in May 1942 in defeating the Japanese Navy in two crucial Pacific battles in the Coral Sea and off Midway Island effectively ensured no Japanese invasion of Australia and confirmed the latter's perception of USA as its new security guarantor. In a broader perspective, the Second World War also symbolized another historical watershed – the end of the global colonial order centered on key European power in the face of challenge first peacefully by the United States in the early

twentieth century and later violently by the imperial states of Germany, Italy and Japan (Reynolds 2005: 347). For Australia the obvious implication of this historical transformation was the decline of British connection. However perceptions differed over the impact of the diminishing imperial connection on Australia's identity and the direction of its foreign policy. Events in the post war period put it beyond doubt that even as Australia's relations with the UK were to remain close for many years, they were actually never the same after the Second World War. As Firth (2005: 30) pointed out, 'if Australia the nation was born at Gallipoli, Australia as a state with distinctive foreign policy was born with the fall of Singapore'. For some, this distinctive foreign policy manifested itself in a greater assertion of Australian independence, flexibility and 'de-dominionization' in international affairs (Tsokhas 1994; Reynolds 2005: 347), as Curtin's decision in 1942 to bring back Australian troops from Middle East to the Pacific in the face of Japanese aggression aptly demonstrated. For others, these changes, though representing something of a watershed in terms of evolution of Australian foreign policy, should not be exaggerated. Australia's margin for maneuvering was always small and restricted by wider geo-strategic imperatives and it merely turned from one protector to another to ensure its security (Chalk 2001: 7; Evans and Grant 1995: 22). Thus its Second World War links with USA was rooted in traditional realist notions of security and self-interest and didn't possess the strong cultural underpinning which was the cornerstone of Australia's links with the British Empire. At the same time, American security aid to Australia against Japan in the Pacific was not for Australia's sake but rooted on strategic calculations of acquiring the only residual bases available to organize their retaliatory strike against Japan. As Miller (1978: 161) notes, 'the United States did not come to the aid of Australia, it came to use Australia, and in using her kept her safe'. On the other hand, cultural affinities between Australia and Great Britain continued for a significant period even after the transformation of its security guarantor. As Firth (2005: 31) states, in spite of turning from 'one great protector to another', the British frame of reference in Australia's foreign policy lingered on and the latter's ties to Great Britain in popular sentiment, trade, diplomacy and military commitment remained close for many years. Nevertheless it was beyond doubt that the decline in imperial connection was to have a significant effect on Australia's policy as the country sought to pursue and active

and independent role in regional affairs as the Asian region persisted to be source of threat albeit of a different kind.

Post War Regional Activism and Acknowledgement of Middle Powers

Two developments in the immediate post war years need mentioning in the context of Australia's relationship with the Asian region in the subsequent years. At a regional level there was a greater sense of Australian independence and assertion in the world scene, more particularly on the affairs of the Pacific, which has been transformed - since Japanese belligerence - into an area of primary strategic importance. Dr. H. V. Evatt, Minister of External Affairs under the Chifley Labor government, epitomized this new independence as he consistently asserted for Australia's, rather than Great Britain's, primary role in the affairs of the pacific (McLean 2006: 71). This assertion stemmed from a historical sense of the country's isolation and exclusion in the decision making apparatus dominated primarily by the great powers on questions of the Pacific region which holds significant relevance for Australia. Claiming such exclusion from the decision making apparatus as detrimental to Australia's national interest, Evatt even suspected that British policy was 'to give concessions in the pacific for similar ones in Europe' (Department of External Affairs 1947). His proclamation of Australia's independence and principle role over Pacific affairs was evident over the issues of Japanese peace settlement in the late 1940's. Evatt maintained that the decision making of the great powers in the peace settlement was acceptable only if Australia was also included into that grouping. Australia's claims for recognition in the Pacific Affairs corresponded to the voices of the so called 'liberal imperialists' for whom Australia's activism in the Pacific Affairs was an attempt to maintain a balance between diplomatic independence and imperial connections. Prominent among the group were intellectuals such as Frederick Eggleston and William Macmohan Ball who foresaw the need for Australia to be a 'Pacific Power'; to independently engage with the Pacific, maintain an alliance with the US as well as remain committed in protecting its British identity (Beeson and Jayasuriya 2009: 363-64).

The second development taking place at a broader level was an increasing interest in the study of a group of intermediary states in world politics which are neither

categorized as great powers nor weak states. Labeled as 'middle powers', they started gaining acknowledgement in policy making circles as well as in scholarly analysis about their nature and ability to play a significant role in post war international politics. Even though a universal definition of middle powers and their diplomatic conduct proved to be difficult to formulate, the notion of 'middle power' was used in a number of places in order to explain the geographic, material, normative and behavioral attributes among a diverse group of middle ranking states (Holbraad 1984: 2; Ungerer 2007b: 539). However as Cooper *et al.* (1993: 17-18) and Evans (2011: 2) have argued, there are numerous drawbacks on ranking of states based either on *objective* criteria like its position in the international hierarchy usually measured by quantifiable attributes of area, population, size, economic and military capabilities etc. or *normative* ones such as wiseness, virtuosity, trustworthiness and the degree of general respect that such countries command. While categorizing states based on objective criteria allows one to have a general segregation of those countries which are clearly neither great powers nor small states, the difficulty with this approach is that such objectification based on quantifiable attributes sometimes falls flat as there are cases where a country's objective attributes such as size or even military and economic capability does not correspond with its diplomatic behavior. (Cooper et al. 1993: 17; Ungerer 2007b: 539). Similarly the normative criteria also carries some inherent limitations of not attaining general consensus by their very normative nature itself, and the country's occupation of high moral ground is difficult to substantiate when the actual details of middle power foreign policy is put into to closer examination (Cooper et al. 1993: 18; Evans 2011: 2). It is this limitation with normative categorization that reflected substantially in some aspects of Australia's foreign policy as will be seen in the later part of the chapter. Thus, as Cooper (1993: 19) argues, middle power diplomatic activity can be best captured by not emphasizing what this group of countries should be doing, but rather focusing on the type of diplomatic behavior they do or could display in common. Set of such behavior which reflects 'middlepowermanship' (Holmes 1979) includes – preference for working through multilateral institutions and processes; tendency to embrace compromise positions in international disputes; proactive use of diplomatic, military and economic measures to achieve selected outcomes – an approach summed up as 'niche diplomacy'; embracing

notions of good international citizenship to guide their diplomacy etc. (Cooper et al. 1993: 19; Ungerer 2007b: 539; Evans 1995: 345).

Middle Powers: History of the Idea

Post war period however didn't mark as the starting point of recognition and study of intermediary powers. Its historical roots can be traced as far back as 13th century in the writings of Thomas Aquinas followed by Botero, Karl Ludwig Politz, Clausewitz, Hans Christoph von Gargen, Friedrick Ludwid Lindner etc. - all of whom acknowledged the existence and utility of such states in different historical circumstances. However ideas then were derived of attempts to study middle powers as exclusive groups and whatever limited analysis of middle powers were was conducted, it was basically done in the context of the dynamics of great power interactions. As Holbraad (1984: 42) argues, middle power studies in the pre-war period contained some 'isolated observations and tentative generalizations, but individual contributions were too different to be pieced together and developed into a general theory of the nature and role of middle powers'. Middle powers received a genuine attention following the First World War, when the gradation of states became an important agenda of diplomatic deliberation in the Paris Peace Conference, in the context of latter's task of setting up the League of Nations. Introducing the term 'middle powers' in the negotiations of the Paris Peace Conference, General Jan Smuts of South Africa suggested their substantial representation on the Council of the League rather than confining as an exclusive arena of the Great Powers - a suggestion partly incorporated by President Woodrow Wilson as he recognized middle power countries as a category in the league negotiations. Subsequently two representatives from middle powers were admitted in the League Council providing them an opportunity to stake their demands in the deliberation of the Peace Conference (Holbraad 1984: 50). Later, in the post Second World War negotiations over setting up of the UN charter and the composition of the Security Council in San Francisco, even as there were general unanimity over the composition of the permanent members of the Council, there were demands from certain sections that certain states who are in proximity with the big five on the hierarchy of powers should be given precedence as non-permanent members of the Council. It was a period marked by the development of

significant Middle power expertise with countries like Australia and Canada making remarkable contributions at wartime international conferences and emerging as the principle champions of the rights of these groups of states. Their contribution over the years also formed the bedrock of scholarly criticism of world-order-by-great-powers thesis, reinforced by neo-realism and hegemonic stability theory that excluded the middle and smaller countries from any role in international management. One such critique was made by Alan Henrikson as he countered neo-realist Kenneth Waltz's (1979: 195) assertion that only the great Powers such as the United States have the capacity and the requisite interest in the management of international order. For Henrikson (1997: 50), such an analysis is limited as it overlooks the contribution that non-great powers have made in the construction of the post-Second World War order, thereby primarily reflecting on the importance of the middle powers in the international system. As the subsequent chapters will reflect, Middle powers did have a substantial space for maneuvering and showcased considerable expertise in problem solving even within the Great Power dominated international system.

Australia as a Middle Power: 'Asia Threat' and Definitional Ambiguity

The preceding two developments, one at a regional and the other at global level, assimilated and conditioned Australia's foreign policy in the immediate post war years. Nowhere did it reflect more than in Evatt's employment of the middle power label to claim greater diplomatic representation for Australia in the 1945 United Nations Conference on International Organization in San Francisco. Expressing concerns of probable great power influence in post war negotiations manifesting itself towards the creation of an International Organization on the basis of Roosevelt's 'Four Policemen' scheme of great powers rather than one that was inclusive enough to accommodate the rights and interest of other non-great powers (Hildebrand 1990: 35), Evatt claimed for greater diplomatic recognition for Australia on the basis of war efforts and regional representation.[12]

[12]'The four policeman' was a term coined by US President Franklin D. Roosevelt to refer to the four allies of World War II – US, UK, USSR and China . The phrase symbolized his conception of post World War II world wherein these four countries were to become the world's 'policeman' with the responsibility to maintain order in their respective spheres of interest – Britain in its empire and Western Europe, Soviet

Australia's geo-strategic position in the Asia-Pacific considerably influenced the nature and position the country sought in the post war international organization, and the middle power label was used in the country's policy pronouncements concerning both. Australia's dissatisfaction with Great Power leadership in the war efforts and its own exclusion in the Pacific affairs influenced its rooting for an international institutional structure that would give weight to middle powers and dilute some of the authority that would otherwise be exercised by the US and other great powers. Evatt, for instance, led a forceful campaign against the provision of Veto powers for the great powers and demanded an institutional structure where the General Assembly, with representation of the middle and smaller powers, holds more authority and influence than the Security Council. More importantly, Australia's desire to play a prominent role in Pacific affairs conditioned its approach towards middle power representation in the United Nations structure. Being the largest Allied power in the Asia Pacific, Australia pressed for a regional representation of middle powers in United Nations, in contrast to Canada's functional representation proposal, with an expectation that it would be granted a special position in the United Nations security structure in recognition of its regional responsibilities (Ungerer 2007b: 541; Holbraad 1984: 60). The importance of geo-politics featured prominently even in Evatt's definition of Middle power itself. He defined the group as those 'which by reason of their recourses and geographic position will prove to be of key importance for the maintenance of security in different parts of the world' (Evatt 1946: 10). By including a positional aspect in middle power definition, Evatt backed Australia's representation in the Security Council to ensure that no region of the globe are left unrepresented which could be essential in providing a balanced outlook of the word affairs (Holbraad 1984: 60).

Union in Eastern Europe and central Eurasian landmass, China in East and Southeast Asia along with Western Pacific and United States in the Western Hemisphere.

Figure 1: Andrew Cooper's basic Framework of Middle-Power Behavior

Form

Heroic

| | Discrete | | Diffuse |

Scope

Routine
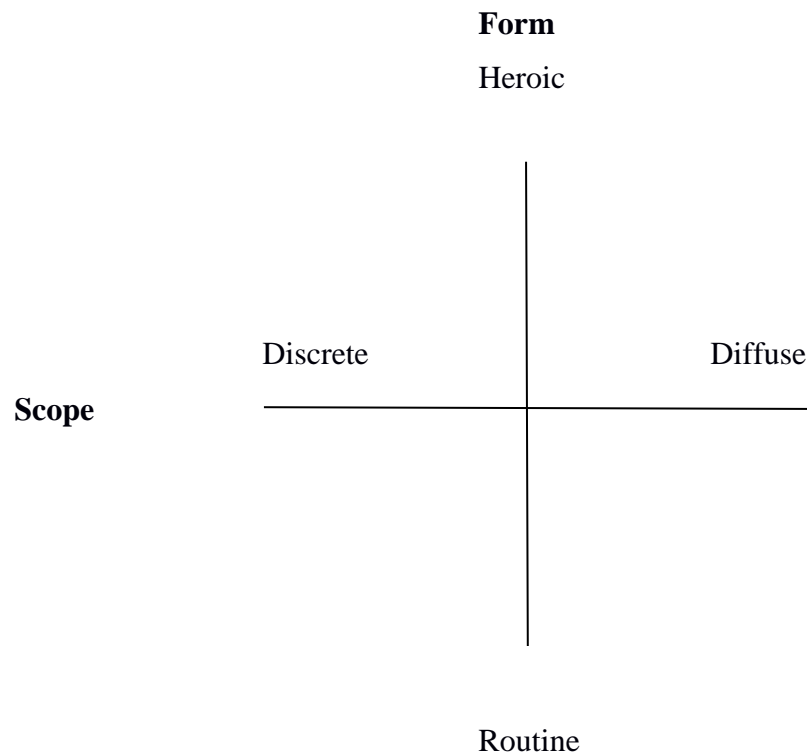
Source: Cooper, Andrew F. (1997), "Niche Diplomacy: A Conceptual Overview", in Andrew F.   Cooper (ed.), *Niche Diplomacy: Middle Powers after the Cold War*, London: MacMillan   Press Ltd, p. 10.

Other than claiming representation in emerging international institutions as a regional power which could play an active role in post war international politics, there were other Australian foreign policy initiatives during the period which have been interpreted as reflecting conventional middle power tradition. Australia's signing the ANZAC treaty with New Zealand in 1944 – its first international treaty signed independently of Britain[13]; the assertive style of Evatt in promoting Australia's national

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[13]The agreement was signed by Australia and New Zealand to assert more autonomy in their own region covering areas of security and defense, civil aviation, migration, dependencies and territories. For the full text of the agreement see Commonwealth of Australia (1997), *Agreement between Australia and New*

interest in global platforms much to the irritation of American and British officials; Australia's leadership in the formation of regional institutional mechanisms such as the South Pacific Commission - all these reflected what Ungerer (2007b: 541-542) terms as the 'nationalistic strain' of Australia's middle power diplomacy done with a sense of assertion to promote its foreign policy objectives, some which ran in opposition to the great power interests. This independent and assertive style, particularly Australia's forceful campaign against veto provision in the United Nations Security Council, was seen by Cooper (1997: 9-12) as the commencement of 'heroic' approach to policy making by Australia – the term 'heroic' used by Cooper in his typology of middle power activities on the basis of *form* to refer to risk-taking and initiative oriented diplomacy of Australia in contrast to low-key, consensus oriented 'routine' approach of others (figure 1.1).[14] Subsequently, the nationalistic urge led 'internationalism', involving faith in multilateral diplomacy, working through institutions and exercise of 'soft' or persuasive power in pursuance of its interest (Ungerer 2007b: 542). The internationalist attribute of Australia's middlepowermanship was reflected in it being one of the founding members of the UN and Australia actively engaging in negotiations and peacekeeping missions in the early UN years. Both peacekeeping and multilateral diplomacy played its part in Australia's involvement, for the first time, in the affairs of Southeast Asia in the late 1940's during Indonesia's independence struggle. Australian military observers in Indonesia in 1947 were the first UN observers ever in the field. Australia's mediation with Netherlands in the negotiations for Indonesian independence through the United Nations good offices commission emphasized the country's faith in multilateral approach in its diplomatic conduct. Similarly Australian aid to the Southeast Asian countries and sponsorship of large number of Asian students to study in Australian institutions under

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Zealand [ANZAC Pact], Australian Treaty Series 1944 No. 2, Australian Government Publishing Service, Canberra.

[14]Cooper (1997: 9-13) in an analysis of the typology of middle power activism argued that while all middle powers display a commonality in the pattern of behavior like coalition building, technical leadership, playing the part of catalyst or facilitator etc. there are differences in operating procedure which can be mapped by placing them in a framework of two-intersecting axis. One axis indicates the *form* of operating procedure with 'heroic' (ambitious and risk taking) approach to policy making on one extreme and 'routine' (cautious) approach on the other. The other axis represents the *scope* of activity with 'diffuse' (concentration of many different smaller things) at the one end and 'discrete' (concentration of small number of issues where stakes are high) at the other. Cooper argued that Australia's style of middlepowermanship was 'heroic' and its activity has tended to be 'discrete' in contrast to another prominent middle power like Canada which is more 'routine' in form and 'diffuse' in scope.

the Colombo Plan was an embodiment of Australia's 'soft regionalism' (Lowe 2010: 7) working through multilateral institutions.

Interpreting Australian foreign policy initiatives within the prism of middle power activism in the post war years also exposed the inherent limitations of conventionally viewing such powers with a strong normative bias, emphasizing on ethical notions of 'morality' and 'good works' and to act as a good international citizens. In consonance with realist interpretation of international relations, middle powers are no less self-interested as any other kind and they perceive their interest within the challenges and opportunities that each systemic situation presents (Evans 1995: 344; Holbradd 1984: 5; Ungerer 2007b: 540). However unlike Evans (2011: 5), who views good international citizenship and national interest as synonymous to each other, Cooper (1997: 7) warns against emphasizing too much on such ethical connotations as they are highly prone to 'distortions, ambiguity and nostalgic mythology'. Such ambiguities were evident in a number of cases wherein the perception of 'Asia threat' had a profound influence on Australian foreign policy being framed in terms of its own security interest rather than striving towards good international citizenship. For instance, over the issue of Japanese peace settlement, Evatt's attitude were shaped by hard headed calculations of security interest rather than, as often portrayed, by his convictions towards the principles of liberal internationalism with faith in United Nations. As McLean (2006: 68) observes, Evatt's determination to assert Australia's vital interest was unrestrained by a liberal internationalist belief in the equality of states. Not only did he assert for Australia to be a part of 'Big Five', while opposing the inclusion of other small and intermediate states in the Japanese peace conference, but also continued to look for defense cooperation with the United Sates and attempted to make the latter's power serve Australian interest. For Evatt, it was crucial for Australian security that USA retains control over the Japanese overseas territories of Ryukyas, Iwo Jima and Marianas as a balance against a future resurgent Japan as well the danger of Russian aggression in the Pacific (McLean 2006: 69; Curran and Ward 2013: 231). Australia was also most assertive and independent in coping with the fragmented order of the post colonial Southeast Asia. As Reynolds (2005: 349) states, Australia's had an ambiguous involvement with the end of Empire as its association with the process was both as a colonizer as well as colonized. For instance,

Evatt's sought to enter into a partnership with Dutch for governing the East Indies even as Australia publically rooted for Indonesian independence. And even though international support for decolonization was overwhelming, Menzies pursued a very conservative line on the same at the UN because of the fear of replacement of the known and orderly imperial order with the 'unknown, unreliable, the alien – all the characteristics of Asia as it then featured in Australian imaginary' (Goldsworthy 2002: 24). Australia consequently was acting as a colonial power itself by administering Papua New Guinea since 1949 and Cocos and Christmas Islands from 1955 and 1958 respectively, the latter two being transferred to Australia from Great Britain. Similarly, notwithstanding the notions of humanitarian ends and 'cultural diplomacy' which was associated with the Colombo Plan, the latter was also a reflection of the American doctrine of containment providing context for Australia's post-war foreign policy and a 'vehicle for the acceleration of western strategic and economic planning to counter communism in South and Southeast Asia' (Lowe 2010: 8).

In the subsequent period however middle power activism of Australia as well as of the group as a whole couldn't sustain the momentum that was initially generated. Even though Australia moved closer in line with Canada by according priority to 'functional' over 'regional' criteria for special status and role within the United Nations, the secondary powers as a whole could not find much common ground with the two principle champions. The introduction of bloc system of representation for non-permanent members of the UNSC in early 1960's – to find a solution to the deadlock created by incessant demands for representation by increasing UN member states – eclipsed the functional principle favored by the middle powers as the blocs were arranged on a regional basis and they were reduced to argue their case within the blocs to which they belong rather than shaping their own identity as a cohesive Middle Power grouping (Holbraad 1984: 62-63). Simultaneously, the cold war environment overshadowed the notions of middle power role and activism as the polarization of the state system drew most of the hitherto middle powers into military alliances with either of the two great powers. Such was also the case with Australia who struggled to maintain the kind of proactive approach as a middle power with the onset of the Cold War as its policies was directed towards preemption of communist threat from Southeast Asia by integrating its

foreign and defense policy with the military and diplomatic strategies of USA and Great Britain.

Communist Threat and Forward Defense Strategy

With the onset of the Cold War, its Asian hotspots such as Korea and Southeast Asia dominated Australian foreign policy making. One fascinating aspect of the East-West conflict was that it ran parallel with the contraction of the European empires in Asia and Africa with a concomitant power vacuum. The attempt of the superpowers to fill that vacuum gave the Cold war a global scope as it spread from specific European flashpoints towards East and Southeast Asia from the 1950's (David Reynolds 2005: 350). Southeast Asia in particular was a significant arena of a corresponding Asian Cold War where interstate conflicts saw the involvement of major extra-regional forces. Even as the process of decolonization in Southeast Asia started to take shape in the late 1940, Australia had some sort of links with the region. Australia was sympathetic towards Indonesia's freedom movement and not only was Australia closely involved in the latter's emergence as a nation but also cosponsored its admission to the United Nations in 1950[15]. With containment of communism gaining high agenda from late 1940's, South East Asia Treaty Organization (SEATO) provided Australian security linkages with Philippines and Thailand. However in terms of history, political-institutional culture and perception of security, Australia and the region were far apart. One immediate manifestation of the same was Australia's relations with Indonesia where contrasting foreign policy perceptions drove the two countries apart despite a wonderful beginning. It was also a reflection of how the regional decolonization process and the resultant power vacuum being engulfed by the Cold War conflict complicated Australia's regional engagement.

As the erstwhile colonies in Asia started gaining independence, Australia was immediately confronted with its regional implications and a there was sense that the post-colonial states to its north would present the country with a range of complexities and

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[15]Most Australians especially the waterside workers stationed in Indonesia opposed Dutch colonialism and sympathized with Indonesia's independence struggle. After the Dutch military offensive in Java and Sumatra in 1947 the Australian workers banned Dutch vessels carrying military equipments to Indonesia. In the same year Australia named Netherlands as violators of peace after referring the conflict in UNSC following which they raised the matter of Indonesian decolonization to the United Nations. Subsequently with the Dutch recognition of full Indonesian sovereignty in 1949, Australia was amongst the first to recognize the new state.

challenges. One such complexity, as noted by Ball (1952: 4), was that Asian nationalism, though grounded on optimism of bringing order and peace in Asia, was actually a 'deep-rooted, passionate and intensely negative movement of resistance against political domination and economic exploitation by foreigners'. Therefore any engagement process, he prescribed, should emphasize the driving desire of Asian countries to forge their own destinies against the 'west' or the 'east' (Ibid: 4). The emergence of Pan Asian regional solidarity and non-alignment among the regional states was reflective of their desire for an independent stance in the world affairs. In Australia, accompanying this complexity was the fear of Communism which outpaced nationalism along with the traditional threat of a possible Japanese resurgence (Fitzgerald 1957: 10). It was this communist threat emanating principally from China which became the primary focus of Australia's post war foreign policy towards the region. With Mao Zedong's victory in 1949 and French withdrawal from Indo-China following its defeat in the First Indo-China war of 1954, the communist paranoia became a reality and by mid 1950's the Chinese 'red scare' overshadowed all other concerns in the Pacific. China's was directly involved in the Korean War in 1950 in addition to assisting communist parties across Southeast Asia. One such assistance was provided to the Malayan communist party in its insurgent activities against the British Commonwealth forces which began in 1947 and continued for more than a decade. Besides this, ethnic Chinese residing in Indonesia and Malaya formed a major base of communist support. All these were early indications of a parallel Cold War brewing in South East Asian theatre pitting the communist and non-communist governments against each other which were to later substantiate during *Konfrontasi* and the Vietnam War. For Australia, it not only reinforced the political fragility of its northern region but also illustrated the aggressive nature of Chinese communism with an alarming conjunction of intentions – marked by the crescendo of Chinese xenophobia during the cultural revolutions, and capabilities – made possible by the rapid advancement of warfare technologies (Griffith and Wesley: 2010: 16; Reynolds 2005: 353). A historical sense of racial intolerance towards Asians continued in public perception and it combined with the prevalence of what Evans (1995: 110) terms as 'gravity theory' that developments occurring in East and Southeast Asia will sooner or later engulf Australia as well. Adding this was a helpless conviction that Australia lacked

the population, armed forces and industrial capacity adequate enough to defend itself acting alone (Evans 1995: 110-111).

Developments in Australia's north also became a background of a domestic debate in academic and political community over the mode of dealing with the region – whether Australia should engage with the region by economic means or ensure security from the region by tying itself with the security guarantee of the US by supporting the latter's strategic objective in Asia. While some sort of trade was brewing between Australia and the major Asian economies like Japan and China since early 1950's, there was no denying from the government side that the US alliance constitutes the most indispensable element of Australia's engagement with Asia. Consequently, it was felt that Australia's best interest was in fitting itself into the Hubs-and-spokes security architecture centered on the US in its fight for 'containment of communism', rather than being a part of a Pan-Asian regional solidarity vision. Thus containment of communism formed the basis of Australia's involvement with East and Southeast Asia during the Cold War. In line with the US promotion of the 'Domino theory', Prime Minister Robert Menzies formulated the 'forward defense' strategy, committing Australia to the active preemption of communist influence outside its territorial boundaries and towards East and Southeast Asia by acting as the 'Western Bloc's primary southern anchor'[16] (Chalk and Foden: 2001: 7). The forces which Australia contributed was minimal in character intended to produce more of a political effect in London and Washington rather than substantially contribute to the military objective (see figure 1.2). By contributing militarily, nominal as it may be, Australia sought to acquire a security guarantee from the great protectors in case of any future threats emanating from its northern region. In the economic sphere, Australia endorsed the Colombo Plan in 1950 which aimed to strengthen economic and social development in the Southeast Asian region to assist the states in their battle against communist movements. The Colombo plan was an instance of economic links reflecting and reinforcing security as exemplified by Australia's pursuance of economic

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[16]Based on US President Eisenhower's reference to countries in danger of communist takeover as 'falling dominos', the domino theory in the regional context refers to a speculation in Southeast Asia, that if one state in the region comes under the influence of communism the others will follow suit. The theory was used by US during the cold war period to justify interventions in the region to prevent a communist takeover.

development as a means of avoiding internal and external subversion from communist influence in its own region (Higgot and Nossal 1997: 173; Chalk 2001: 8).

The rationality of forward defense strategy was aptly reflected when it was put to practice during the Korean War in 1950. Responding to US president Truman's call for military help for South Korea, Australia's Minister for External Affairs Percy Spender, while justifying the country's military commitment in War, emphasized that

> From Australia's long-term point of view any additional aid we can give to the United States now, small though it may be, will repay us in the future one hundred fold…Time in Korea is running out and if we refrain from giving any further aid we may lose an opportunity of cementing friendship with the United States which may not easily present itself again.
>
> (Cited in Firth 2005: 35)

This strategic thinking of Australia persisted over both its military and non-military commitment in overseas territory in collaboration with either USA or Great Britain. Especially with regard to the former, there was a constant effort to integrate Australia's foreign and defense policy with the global military and diplomatic strategies of USA even though it provided some uncomfortable moments for Canberra. Japanese resurgence in Australian policy making circles, Menzies's acceptance of the treaty was an illustration of an amalgamation of his global defense strategy with US strategic view of Japan as a 'crucial link in a web of pro-American military alliances directed against the Soviet Union and China' (Firth 2005: 32).

Figure 2: A Comparison of Australia's Military Commitment in Overseas Conflict with its Great Power Allies

	Korean War (1950-53)	Vietnam War (1956-75)
■ USA	326,863	540,000
■ Australia	17,000	50,000

	Malayan Emergency (1948-60)	Konfrontasi (1963-66)
■ UK	40,000	27,000
■ Australia	7,000	3,500
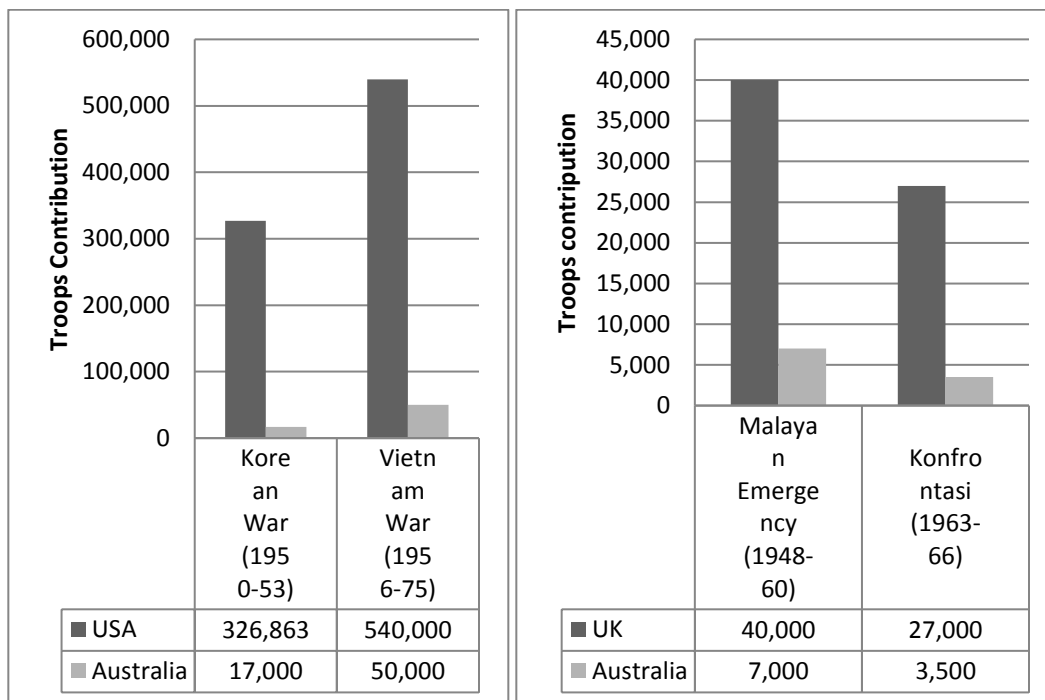
Data Source: Dennis, Peter and Jeffrey Grey (1996), *Emergency and Confrontation: Australian Military Operations in Malaya and Borneo 1950-1966*, St. Leonard: Allen and Unwin; McAllister, Ian et al. (1997), *Australian Political Facts, 2*nd *Edition*, Melbourne: Palgrave Macmillan; Australian War Memorial, "Out in the Cold: Australia's involvement in the Korean War", [Online: web] Accessed 15 April 2013, URL: http://www.awm.gov.au/exhibitions/korea/; Komer, R.W. (1972), *The Malayan Emergency in Retrospect: Organization of a Successful Counter-Insurgency Effort*, RAND Corporation, [Online: Web] Accessed 10 Jan 2014, URL: http://www.rand.org/content/dam/rand/pubs/reports/2005/R957.pdf; Australia Government (2014), *Australia's involvement in the Vietnam War - Fact sheet 117*, National Archives of Australia, Canberra.; Kane, Tim (2004) *Global U.S. Troops Deployment, 1950-2003*, Centre for Data Analysis Report#04-11, The Heritage

Foundation, [Online: Web] Accessed 15 Feb 2014, URL: http://www.heritage.org/research/reports/2004/10/global-us-troop-deployment-1950-2003.

For instance, Australia was not too favorable towards the 1951 San Francisco Treaty between USA and Japan which allowed the later to rearm – for American benefit - rather than permanently weaken it. Even though there were considerable anxiety over a possible

However adherence to US strategic perspectives did pay some dividends for Australia. One such dividend was the establishment, after initial US reluctance, of a military alliance in 1951 between Australia and United States (initially involving New Zealand as well) in the form of Australia, New Zealand, United States Security Treaty (ANZUS), perceived essentially as a US gesture for Australia's commitment to the great power in the Korean Crisis. The treaty establishes 'consultation' whenever in the opinion of any of the parties the 'territorial integrity, political independence or security of any of the Parties is threatened in the Pacific' and require each party to recognize that 'an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes' (Commonwealth of Australia 1997: 1). Even though orthodox views of ANZUS origins, as a reluctant USA agreeing to a security treaty as a gratitude towards Australia's above contributions, overlooks the strategic rationale of the great power itself in seeking some sort of a security agreement with the countries of the Pacific, ANZUS and the wider American alliance of which it was part did become the cornerstone of Australian foreign and defense policy during the Cold War and remains central to Australia's security even today (Firth 2005:33; McLean 2006: 70).

Australia's apprehensions regarding the proliferation of communist influence amplified with the independence of Laos and Cambodia in 1953 resulting in formal withdrawal of France from Indo-China a year later. With North Vietnam already under the influence of communist regime, the situation in Indo-China was assuming dangerous proportions for Australia with an overwhelming fear of communism penetrating into the newly independent states and the rest of the region. Such concerns were apparent in the 1953 Strategic Basis Paper, *A Strategic Basis of Australian Defense Policy* which, while identifying Indo-China as the 'key to the defense of Southeast Asia', noted that while the

region is held, 'defense in-depth is provided for the Australia – New Zealand support area' (Fruhling 2009: 188). Subsequently the 1956 Strategic Basis Paper *The Strategic Basis of Australian Defense Policy* argued that the 'greatest threat to Australia was from communist penetration or overthrow of the governments of Malaya and Indonesia' (Fruhling 2009: 199). In such a situation the imperative of a defense treaty led Australia to join the Southeast Asia Treaty Organization (SEATO) in 1954 – a collective defense organization in Southeast Asia to prevent further communist incursions in the region - involving both its great power allies as well as the regional countries of Thailand and Philippines. From an Australian perspective, association with USA in collective defense of Southeast Asia was expected to provide the necessary defense-in-depth by extending protection to the member states in the region against the possibility of 'domino effect' turning Indo-China into a communist frontier. A year later, Australia participated in the Far Eastern Strategic Reserve (FESR) based in Southeast Asia, also involving the military armed forces of UK and New Zealand, for the purpose of protecting commonwealth interests from internal and external communist threats.

However it was Australia's military commitment to Vietnam that provided the greatest expression of its forward Defense strategy and alignment with strategic interest of USA. For Australia, the forward defense strategy in Southeast Asia was akin to, what Reynolds (2005: 354) termed as, the 'Singapore strategy of the 1930's updated to the age of nuclear airpower'. Chinese support to the communist parties in Malaya, Indonesia and North Vietnam created considerable anxiety in Australia that a nuclear armed China based on its near north would pose a much greater threat to Australia than the Darwin raid in 1942 did. Thus Menzies announced Australia's Military commitment in 1965 stating that

> The takeover of South Vietnam would be a direct military threat to Australia and all the countries of South and South East Asia. It must be seen as part of a thrust by communist China between the Indian and Pacific Oceans
>
> (Cited in Evans 1995: 217)

Incidentally, other than the security imperative, Australia's military commitment to the conflict was also borne out of an obsession to achieve the kind of engagement with

USA that it long sought. It also presented the government with a perfect opportunity to illustrate the validity of forward defense strategy to its critics. Following American request to UK, Australia and New Zealand for military assistance to the Vietnam conflict, Australian diplomat Alan Renouf cabled in 1964 recommending that the objective of Australia

> should be to achieve such an habitual closeness of relations with the U.S. and sense of mutual alliance that in our time of need, after we have shown all reasonable restraint and good sense, the U.S. Should have little option but to respond as we would want.
> The problem of Vietnam is one, it seems, where we could without a disproportionate expenditure pick up a lot of credit with the United States for this problem is one to which the United States is deeply committed...
>
> (Cited in Goldsworthy 2001: 282)

Even though public opinion at the initial stage largely favored Australia's military commitment to Vietnam, it was a decision which was fiercely contested both in the academic circles as well as in national politics till the very last forces was withdrawn in 1972. In fact, Australia's understanding of Asia during the period was dominated by debates over the Vietnam War ensuing to an academic Cold War, between subscribers of 'domino' theory and their consequent support for the Cold war policies of Australia (Higgot and George 1990: 426-429; Harries 1967: 118-125) and those who challenged its logic thereby criticizing Australia's policy being based on flawed assumptions (Girling 1967: 61-70; Evans 1995: 218-221). Academic debates paralleled the politics played out at the national level. Menzies's Liberal successor Harold Holt defended the 'While Australia Policy', trebled Australian force commitment to Vietnam and promised to go 'all the way' with US President Lyndon Johnson thereby garnering appreciation from the later as a reflection of Australian loyalty to America in time of trouble. In contrast, Labor's stance of opposing Australia's participation and a promise to bring back troops made it look unpatriotic and couldn't bring much electoral benefit. From a strategic perspective, events in Vietnam transformed Australia's perception of Indo-China from being an area of neglect to a region critical to its security. And equally important was the

fact that it was Australia's first war without Britain as an ally reflecting a significant transformation in its great power dependence policy.

However, even as Australia was turning from one great protector to another, conceiving its national interest through the prism of the Empire persisted till 1960's. As Firth (2005: 34) argues, Australia in the 1950's and 60's had two great protectors and sought security from both until Great Britain abandoned its global military role by withdrawing from 'East of Suez' in   1971.[17] Interestingly, it was Menzies's term that epitomized Australia's British connection. He backed Great Britain during the Suez crisis of 1956 and, in face of communist threat from China, even made an attempt, albeit an unsuccessful one, to seek nuclear cooperation with the great power [18]. In its immediate region, Australia's military commitment under the Far East Strategic Reserve was a manifestation of its forward defense in Southeast Asia where it fought alongside Great Britain during the Malayan Emergency (1948-1960) as well as Indonesia's *Konfrontasi* against Malaysia (1963-1966). K*onfrontasi* led to the deployment of Australian troops in Borneo in March 1965, bringing Australia in direct confrontation with Indonesia. These events also reinforced Australia's perception regarding the political fragility of the region, a perception which was to become more concrete a few months later as it

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[17] The phase 'east of Suez' refers to Great Britain's military bases in Singapore, Malaysia and the Persian Gulf signifying its imperial interests beyond the European theatre. However with the British failure to defend Singapore in 1942 followed by its withdrawal from Suez in 1956 its overseas imperial interest was severely marginalized. Devaluation of the British pound in 1967 provided the final death nail with then Prime Minister Harold Wilson announcing a year later the withdrawal of British troops from Southeast Asia and Persian Gulf effective from 1971 thereby relegating British position from a 'first rank' to a medium sized world power and one which was increasingly European oriented. For Australia the event marked an end to its strategic imperial connection and raised important questions regarding the future basis of its defense strategy within its region. For an detailed analysis of the British decision see SakDockrill (2002), *Britain's Retreat from East of Suez: The Choice between Europe and the World?*, New York: Palgrave Macmillan. For an analysis of Australia's role in the events see, Derek McDougall (1997), "Australia's and the British Military withdrawal from East of Suez", *Australian Journal of International Affairs*, 51(2): 183-194.

[18] In an age of nuclear weapons the necessity of nuclear allies for its security induced Menzies to extend Australian testing facilities at Monte Bello and Woomera to Great Britain – who became the third Atomic power in 1952 – with a desire for reciprocal access to British nuclear weapons and delivery systems. However Great Britain on its part was trying to revive its own wartime nuclear alliance with USA, and its success in 1957 Bermuda Conference dashed Australia's hopes. Some even characterize this event a much greater case of betrayal by Great Britain than fall of Singapore in 1942. For a detailed analysis of Australia's effort to acquire atomic weapons in the post war period by maintaining links with Great Britain see, Wayne Reynolds (2000), *Australia's Bid for the Atomic Bomb*, Melbourne: University of Melbourne Press.

committed itself militarily in the Vietnam conflict[19]. Developments in Indonesia, with a substantial communist influence, were critical for Australia. Eventually, it was only after a successful counter-insurgency operation in Malaya by Great Britain and the anti-communist stance of Suharto's 'new order', which came into being following a military counter-coup against Sukarno in 1965, that turned the tide in Australia's favor.

The cessation of hostilities between Indonesia and Malaysia followed by Indonesia's acceptance of Malaysia as an independent nation-state also helped lay the groundwork for the formation of the Association of Southeast Asian Nations (ASEAN) in 1967. Promotion of regional peace and stability along with a desire to concentrate on nation building through economic growth and social progress was the rationale behind the establishment of the grouping involving the erstwhile *Konfrontasi* parties along with Philippines, Singapore and Thailand. ASEAN's foundation coincided at a time when Australia's engagement with its northern region was clouded by fear, insecurity and political conflicts. It just overcame a face-off with Indonesia and its military involvement in Vietnam was at its pinnacle. Even at the domestic level, the period marked a significant contrast between Australia and the Southeast Asia. Whereas *Konfrontasi*, Vietnam War and the breakup of Malaysia raised serious questions about the political stability and economic future of the region, Australia by contrast was reaping the benefits of the post war economic boom. This scenario reflected in Australia's foreign policy which was basically carried with a perception of safeguarding itself from the effects of regional instability. And considering the history of communist incursions, political conflicts and instability in Southeast Asia, it was but natural for Australia to welcome ASEAN's foundation with the hope that the organization would provide such stability through the promotion of economic growth which could inturn diffuse bilateral tensions in the region (Ravenhill 1998: 269, 273-274). It was only with the subsequent transformation of the region fuelled by rapid economic growth of the ASEAN member states that propelled a major reorientation of Australia's regional policy in the form of 'comprehensive engagement', undertaken with the objective of being a part of the

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[19]By the mid 1960's there was already a strong sense of assurance in Australia that its move to break away from the Asian solidarity symbolized in Bandung by stationing troops in Malaya or by joining SEATO was a right one. After a promising start the Asian solidarity vision was tarnished by the India-China border conflict and later on the Bandung host itself engaging in a *Konfrontasi* against Malaysia.

regional economic and security agenda. However, as will be seen in the later chapters, Australia's attempt to regionalism by engaging with ASEAN have been at times difficult with its foreign policy autonomy occasionally coming into conflict with the norms of the 'ASEAN Way'. Nevertheless, and despite skepticism on both sides, the changing economic and security situation of the post Vietnam War period did establish a groundwork for Australia's pursuance of regional engagement.

Cold War and Middle Power Regional Diplomacy

As discussed in the preceding section, the bloc system of representation and the polarization of most countries into military alliances of the superpowers during the Cold War took the momentum out of the middle power activism that was generated in the post second world period. The intermediate powers couldn't find a common ground to pursue their identity as a homogeneous bloc as its policies were overshadowed by the dynamics of the east-west conflict. The same was the case with Australia as it emerged as one of the principle champions of the middle power group but couldn't sustain the momentum that Evatt displayed in the first few years of the establishment of the United Nations. The regional implications of the east-west conflict confronted by Australia in consonance with the general loss of influence of the intermediate powers prevented the country from displaying the kind of independent assertion and active championing of the cause of middle power groupings as it did earlier. Amongst all this, leadership also played its part, as unlike Evatt, Menzies was not too favorable towards an excessive independent Australian stance in regional affairs, as the existential threat confronting the country induced him to seek security by aligning Australia with its 'great and powerful friends' and display substantial loyalty to them as was evident in the case of Suez Crisis, Korea and Vietnam. Nevertheless, the use of middle power concept did continue to feature in the country's policy pronouncement even during the period. And the term encompassed both the ethical notions of 'good international citizenship' as well as a crude realistic assertion of national self-interest by a country trying to survive in a hostile regional environment. In fact Australia's middle power diplomacy during the Cold War period was as much a case of propagating ethical notions of just world order as it was of

securing its own position in a uncertain regional environment within the encompassing dualistic system characterized by great power rivalry. The ethical usage of middle power notion was reflected in the Minister of External Affairs Sir Garfeild Barwick's characterization of Australia as a middle power, placed between the first and the third world countries with common interest with both groups which provides the country ample scope to be an influential player (Commonwealth Parliamentary Debates 1964: 486).

However it was the objective of 'survival' generated by the Cold War conflict that conditioned much of the Middle powers activities. Carsten Holbraad (1984: 119-121), in analyzing the behavior of middle powers in a dualistic system characterized by Cold War, argued that their basic choice to either align or remain uncommitted depends upon geographical position, calculations of power, and in case the central conflict is ideological - the ideas and emotions of actors. He goes on to suggest that powers closer to the center of tension and exposed to pressures from one or both the great powers are likely to join either of the camp. All three factors pointed out by Holbraad played its part in Australia's alignment with USA during the Cold War. Though not reduced to a battle ground of the East-West rivalry as Korea or Indo-China, Australia's geographic position, distant from the part of the world to which it historically and culturally belongs, and closer to Asia – a region perceived as a source of threat from communist incursions led by USSR and China – influenced the country's alignment with USA and identifying demonstratively with the latter's policies in Asia. And association with USA was not solely rooted on calculations of power, rather emotional and ideological affinity also played a part. For Australia, USA was not only a Pacific power but also an English speaking nation and leaders often labeled Americans as Australia's 'kinsmen' and 'blood relations' having a common heritage, tradition and way of life. As David Reynolds (2005: 351) argues, the realist preoccupation with national interest and security tended to obscure the fact that many others saw the Cold War as a basic struggle between two ways of life. The Australian way of life was historically characterized by its identification with value systems of the west and racial exclusivity towards the Asians, and the country's 'red scare' of the 1950's was basically a part of the broader communist challenge faced by liberal capitalist democracies in the post-war years. It was this ideological homogeneity

that supplemented the primary strategic conviction that it is USA and not UK which is the preeminent power in the Pacific that could secure Australia's vital security interests.

Another significant aspect which necessitate attention is that the anomaly between notions of 'morality' and 'self interest' associated with the activities of middle powers, as was shown in the preceding section, presents a different dimension in a dualistic system characterized by Cold War. In certain circumstances, the role of middle powers as 'good international citizens' playing a part in reducing tensions between great power opponents, subsides the realist 'self-interested' objective of invigorating the great power central conflict if their stake in the conflict is as great as the alliance leader. Taking the case of Australia, Carsten Holbraad (1984: 124), sounding pessimistic about putting faith in middle powers to reduce tensions in cold war situations stated that:

> It is doubtful that the voice of Australia, a country much closer to Asia and no less conscious of the communist threat than the United States, was always one of caution and restraint when debate in Washington was about the interventions in Korea and Indo-China.

Holbraad's doubts were certainly not out of place if Australia's Vietnam policy is put into perspective. Interpreting Australia's military commitment to the conflict, as some historians do, purely in terms of dependent behavior, of an American satellite subscribing to US strategic objectives compromising its sovereignty and freedom of choice (Churdward 1979: 165; McLachlan 1989: 268; Alomes 1988: 170; Phillips 1988: 138), is too simplistic an analysis which obscures the inherent national interest underlying the decision. Rather it was a 'deliberately pump-priming exercise' (Reynolds 2005: 350), undertaken by a hawkish middle power animating the communist threat and encouraging the US military intervention with the purpose of keeping its great protector engaged in Southeast Asia. As Minister for External Affairs Paul Husluck stated in 1966,

> Far from being dragged into Vietnam by the Americans, the Australian government has been glad and reassured that the United States has been prepared to undertake such heavy commitments as it has undertaken in support of international security in a region where our own danger is immeasurably greater than any danger to America and where the stake in peace is far more fateful for us then them.

Two more aspects regarding Australia's Vietnam policy needs attention which strengthens the national self interest rationale that accompanied it. Firstly, Australia's force commitment to Vietnam was not an obligation it had to pursue under ANZUS and to think likewise not only ignores the active role played by Australia in encouraging the US intervention but also overlooks the fact that other US allies including Britain and Canada did not send forces (Meaney 1993: 176). And secondly, Australia's announcement of military commitment to Vietnam in fact preceded the request for assistance from South Vietnam and was not a response to it as was portrayed by Menzies. Already made official, the government subsequently had to 'set about prodding South Vietnam into asking for them' (Firth 2005: 327). Thus Australia's assistance in overseas conflict arose out of assessment of its own national interest of keeping both its great powers protectors engaged in the Southeast Asian region and to extract the maximum advantage at the lowest possible cost. This also explains the 'tokenary' character of its military commitment which was intended more to serve the country's strategic purpose rather than making a noteworthy contribution to the military objectives. On a broader level, it also raises the possibility of analyzing Australia's relations with America using Geir Lundestad's (1986: 263-77) 'empire by invitation', to suggest that US cold war neo-imperialist order in Asia was as much invited as it was imposed.[20] As Reynolds (2005: 350-351) suggests, even as the broader framework of decolonization should form the basis of Australia's relations with its great power protectors in Asia during the Cold War, they should also be stressed against the complex dynamics of cold war clientage.

Conclusion

History, culture and politico-economic developments in Australia and Southeast Asia had a profound influence in the manner in which Australia's engagement with its northern region took shape. Since federation, Australia perceived itself as a western

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[20] The phase was used by Lundestad to highlight the scope of superpower extension in the initial years of the post second world period. He argues that while the US expansion and influence could be strongly felt in most corners of the world the Soviet influence counted for little outside its border areas. Lundestad reasoned this to the fact that the USA was often invited to play a more active role in Asia and Europe unlike USSR which had to solely rely on force to further its interest outside its borders.

outpost, imbibing the British political and cultural traditions and living in considerable economic prosperity. Consequently, a sense of racial superiority prevailed over the Asians who were primarily viewed as inferior stocks imposing a cultural, economic and security threat to the continent. It was primarily the latter categorization of threat faced by Australia living in an insecure neighborhood that induced a strategic alignment with the great and powerful allies. Southeast Asia, by contrast, was undergoing a tough transition towards nation building, being marred with economic problems and political instability. The process became even more complex as the region itself turned out to be an arena of the Cold war conflict. It compelled Australian policy maker's views towards the region being a source of threat, and any sort of regional activism was primarily based on aligning with the great powers to secure itself from the communist incursions from the north. Regional developments also influenced the way middle power diplomacy was used by Australia. As a champion of the rights of middle powers, Australia initially sought regional representation in order to have a more active voice in the affairs of the Pacific. Subsequently, during the Cold War period, Australia aligned with USA and even occasionally engaged in diplomatic maneuverings to keep the great powers engaged in Southeast Asia. However, as the region underwent significant changes in the Post Vietnam period, turning out from an arena of threat to an area of opportunity, it also paralleled transformations in Australia's regional engagement process. Australia's own economic problems and the corresponding rise of the Asian economies coupled with the cessation of Cold war hostilities saw accommodation and engagement with Asia emerge as a major theme in Australia's Foreign policy. Consequently, a more judicious adoption of the Middle power doctrine was witnessed, as the concept itself was frequently used to promote Asian regionalism working through multilateral institutions. These transformations in Australia's engagement with Southeast Asia in the post Vietnam period will be the focus of the next chapter. More importantly the chapter will assess the various elements of continuity and change in the regional engagement process under the liberal coalition government of John Howard which came to power in 1996.

Chapter – 3

Howard's Approach and Challenges in the Context of Australia's Reorientation towards Southeast Asia

Introduction

The preceding chapter gave an overview of Australia's policy towards Asia in general and Southeast Asia in particular till the 1970's conditioned by the perception of region as a source of threat to the national security of Australia. The first part of this chapter analyses Australia reorientation towards the region since the post Vietnam War period amidst the emergence of a nascent regionalism with the birth of ASEAN. The high point of this reorientation was Australia's policy of engaging with Southeast Asia, a policy which was given a high priority by the successive governments in the 1980's and 1990's. The second part of the chapter analyses Australia's position vis-à-vis this engagement doctrine when the Liberal National Coalition of John Howard came to power in 1996. The chapter gives a general overview of Coalition's perception towards the Southeast Asian region and the elements of continuity and change in regional diplomacy from that of its predecessors. It also focuses on the initial challenges faced by the coalition's attempts to engage with Southeast Asia and the policy responses towards the same.

ASEAN and the emergence of nascent Southeast Asian regionalism

The post Vietnam War period marked a relative reduction of the Cold War effects at the global level as the east-west conflict moved into a period of intermediary thaw with

détente and normalization of relations between USA and China. Nevertheless, the complexities in the security situation of Southeast Asia persisted. Such complexities was a reflection of the notion of 'security' that goes beyond a Euro-Centric dimension which focuses on external threats, and necessitates an inclusion of domestic elements especially a state's search for internal security in its early stages of national building as it seeks to consolidate its legitimacy (Thomas 1987: 1).[21] Such internal conceptualization is considered as essential for a proper understanding of the security predicament of the 'weak states' in the third world countries (Buzan 2009: 96).[22] Same was the case with Southeast Asia, where threats to state sovereignty emanated not only from other neighboring states and the involvement of extra-regional Powers in regional inter-state disputes but also from inward legitimacy challenges faced by the newly independent countries largely as a legacy of the colonial rule. It made the process of nation-building in Southeast Asia much more difficult as compared to European experiences. This was because even as the region's racial, ethnic and religious groups could not be properly subsumed within the territorial boundaries, a substantial politicization of the population occurred prior to the establishment of a strong state (Collins 2003: 14).[23] As Acharya (2001: 4) notes, throughout the 1960's and 70's, the weak socio-political cohesion of the new states, the legitimacy problems of several of the region's post-colonial governments, inter-state territorial disputes and involvement of extra-regional countries in the same,

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[21]Caroline Thomas argues that a proper appreciation of security problems in the Third world requires viewing security from its own perspectives and not by western conceptualizations by incorporating varied aspects like a nation's search for internal security through nation-building and other systems of food, health, money and trade in addition to the military dimension. For Thomas the fact that the former aspects were 'already taken care of in the more developed states' results in a narrower understanding of the security concept in western literature which anyways is an incomplete assessment of the notion particularly in the post cold war period.

[22] Barry Buzan introduced the concept of weak states in his seminal work *People, States and Fear* wherein he disassociated the weak states from 'weak powers'. For Buzan a determining characteristic of a weak state is the lack of socio-political cohesion and legitimacy and not their poor economic and military capability. Thus for Buzan an otherwise substantial power like Indonesia also falls under the category of weak states.

[23] Collins while referring to the works of Charles Tilly and Mohammad Ayoob on the state building experiences of the European and Third world countries respectively argues that violence in the process of nation-building is nothing new and it occurred in both European and the Third World cases. However what differed European experience of nation building from the Third World process was that in Europe individual awareness for social, economic and political rights or 'politicization of the population' as it was termed happened after the state makers constructed and imposed strong national governments whereas in the Third world including the Southeast Asian states the two process occurred simultaneously which made the imperative of nation building much more challenging.

characterized the political environment of Southeast Asia. Imbalance between ethnic compositions and territorial boundaries manifested itself first in the formation of Malaysia and then Singapore's separation from the former towards independence. Creation of Malaysia was followed by Indonesian *Konfrontasi* against the new federation which Sukarno claimed to be a 'British puppet state', a neo-colonial experiment to maintain Great Britain's influence over the region. The inclusion of Sabah in Malaysia triggered a dispute with Philippines which claimed sovereignty over the territory. Intra-regional tensions again came to the fore with Vietnam's invasion of Cambodia which involved the great powers in the regional affairs. Vietnam's offensive also reflected the complexities of inter-state relations within the overarching Great power dynamics in the region, as subsequent events saw the implosion of the 'red menace' into regional wars in Indo-China that pitted the communists states against each other. (Reyonlds 2005:354). As former ASEAN Secretary General, Rudolf C. Severino (2004: 180), while reflecting on the diversity and fragile relations among the states of the region, pointed out:

> Southeast Asia had been interacting with one another through trade, religion, cultural exchanges and human contact long before the West came to colonize them; but they had no experience of inter-state cooperation as modern nation-states. Partly because of the differences in their perceived interest as new nations, and partly because of their recent history of conflict and continuing potential for conflict, the relations among the Southeast Asian states, even with Indochina excluded, were fragile and delicate at best. The considerable diversity among them exacerbated the fragility of relations – the diversity of their historical experiences, cultures, religions and strategic outlooks.

Such challenges to regional security stemming from a difficult nation building process and inter-state disputes were further compounded by a reordering of Southeast Asian strategic situation resulting from the changing role of the Great powers. The British decision to withdraw troops from Singapore and Malaysia followed by the Nixon Doctrine significantly reduced great power presence in the region as security guarantors – a mechanism which was pivotal in maintaining regional stability during the Cold War. Withdrawal of USA and UK raised the possibility of a power vacuum in the region which could be filled up by an extra-regional power. It was particularly evident with China's

emergence as a dominant regional force and its competition with Soviet Union for regional influence led to new form of great power rivalry replacing the traditional Cold war patterns (Acharya 2001: 52).

In such a scenario, the development of the Association of Southeast Asian Nations (ASEAN) reflected a desire for a mechanism to strengthen regional solidarity, prevent inter-state conflict, promote economic prosperity and avoid 'external interference in any form to preserve their national identities' (ASEAN Secretariat 2014). It marked a nascent regional identity formation in Southeast Asia, where disputes could be resolved peacefully within a regional framework and free the region from strategic rivalries of big powers while actively engaging them for constructive roles (Severino 2006: 164)[24]. A key role underpinning this evolving regionalism was played by norms, which were both regal-rational and socio-cultural in nature reflecting the unique cultural heritage of the region (Acharya 2001: 25).[25] On the former category were general universal norms such as restraint from the use of force, regional autonomy, non-interference, peaceful settlement of disputes etc., which enumerated the foundations of inter-state behavior and were variously enshrined in documents like the Bangkok and KaulaLampur declaration, Treaty of Amity and Cooperation (TAC), ASEAN Concord and Zone of Peace Freedom and Neutrality (ZOPFAN). Notwithstanding their universality and general nature, resolution of security issues specific to the region also lay behind the adoption of such norms. Thus

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[24]Desire for a distinct regional identity was present even before the formation of ASEAN. The roots of such desire lay on shared values and culture as a basis of collective identity which were already in place. As Acharya (2001: 71) notes, even while being a part of the Pan Asian unity propagated by Indian Prime Minister Jawaharlal Nehru or Afro-Asian Unity championed by Sukarno, some of the Southeast Asian leaders urged for a distinct place for Southeast Asia in the Asian regional order. Manifestation of such distinct identity and regionalism through associations led to the formation of the Association of Southeast Asia (ASA) in 1961 and MAPHILINDO in 1963. However in both cases intra-regional conflicts put paid to those initiatives with dispute between Philippines and Malaysia over Sabah collapsing ASA and Indonesia's *Konfrontasi*against Malaysia ensuring MAPHALINDO's demise.

[25]The importance of norms as a basis of regional order was highlighted by constructivist scholars like Acharya (1997 328-333; 1999 59-84; 2001 6-8) as a theoretical alternative to Realism and neo-liberal institutionalism. He points out that realist explanation about the limitations of ASEAN in shaping regional order, and its survivability depending on the wider regional balance of power underpinned by US presence (Leifler 1980; 1989; Huxley 1987; 1996) provides only a limited explanation of regionalism in Southeast Asia. So does neo-liberal institutionalist scholars who are more optimistic about the capacity of institutions (ASEAN) in managing conflicts (Arnfinn Jorgensen Dahl 1982; Alagappa 1991), but asserts that institutions work by constraining state action through sanctions – an argument which is not applicable to ASEAN as the grouping doesn't have such mechanism. On the contrary, as pointed out by Acharya, it is the nature and quality of socialization process underpinned by cultural norms and identity exemplified by the 'ASEAN Way' which played a determining role in the development of regionalism in Southeast Asia.

non use of force and peaceful resolution of disputes were intended to prevent a *Konfrontasi* like situation and to ensure that inter-state disputes, like the one then going on between Philippines and Malaysia over Sabah, be averted from transforming into a full blown conflict. Likewise, the norms of regional autonomy and self-reliance - which lay behind the proposal for ZOPFAN - were influenced by a declining faith in external security guarantee prompted by British withdrawal and Nixon doctrine as well as foreseeing the dangers of great power rivalry in Southeast Asia. Domestic security concerns lay behind the adoption of non-interference – a cardinal principle which lay at the heart of ASEAN regionalism. It was this non-intervention principle that prevented ASEAN's to oppose the genocide unleashed by the Pol Pot regime as well as Vietnam's invasion of Cambodia. Similarly the association's skepticism towards multilateral military pacts was to avoid further provocation to countries like Vietnam who had already dubbed ASEAN as the 'new SEATO' and maintains a strong security partnership with Soviet Union which has a naval presence in the region.

However, it was the socio-cultural norms loosely termed as the 'ASEAN Way' describing the process of inter-state interaction which constituted a distinct and unique process of regionalism in Southeast Asia.[26] At the outset, it rejects the western model of regionalism which attempts to promote cooperation through a high degree of institutionalization; focuses on legally binding commitments, treaties and formal agreements and prescribes decision making based on majority vote, adversarial posturing and other legalistic procedures. On the contrary, 'ASEAN Way' was characterized by informality and loose arrangements, inclusiveness, dependence on personal relations rather than on institutions, regional diplomacy based on consultations (*Mushawarah*) and consensus (*Mufakat*)[27] in place of binding commitments and an avoidance of judicial or

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[26]The phrase 'ASEAN Way' is a loosely used concept without any official definition. General Ali Moertopo of Indonesia was one of the first policymakers in ASEAN to use this term in 1974 regarding it as a 'system of consultation' lying at the heart of ASEAN success in dealing with inter-state issues and problems.

[27]*Mushawarah* and *Mufakat* constitute two components of consensus building having its origin from a decision making style prevalent within Javanese village societies. It entails consultation on the basis of equality in a non-hostile setting where differences among member states can be discussed openly and compromise can be unearthed without imposition of anyone's will upon others. Consensus in the ASEAN context need not necessarily require unanimity and can be reached when enough members support it and even when some members may have misgivings as long as the national interest of the non-participating

arbitration machinery for the settlement of disputes. (Acharya 2001: 63-65; Soverino2006: 11). Even though formal and legally binding agreements were part of ASEAN apparatus, they were few and far in between, reflecting a cautious and gradual approach towards regionalism in a pace that is comfortable to all the members (Soverino 2006: 18).[28] Such a preference for informal diplomacy was adopted due to the delicate relations and different strategic outlook of the regional states, and there was a conscious effort to avoid contentious negotiations and accommodate the diverse views of the member states in the new association to ensure its survival.

Over the years, ASEAN experiment of regionalism was not only successful in moderating inter-state conflict but also played a leading role in guiding peace processes leading to regional order. ASEAN's active behind the scene diplomacy and the use of ASEAN meetings as a venue for informal talks played an important role in diffusing the Sabah crisis which threatened the survival of the association only months after its formation. ASEAN showed remarkable solidarity in many contentious issues affecting the region, ranging from Cambodian conflict to the problem of asylum seekers to dealing with China on South China Sea. ASEAN's Cambodian posture in particular enhanced its international stature giving it a 'distinctive identity in international diplomacy moving the grouping further on the path towards a security community' (Acharya 2001: 96). Also the non-invoking of the High council - a formal dispute settlement mechanism created under TAC out of sheer value placed on pacific settlement of disputes despite ASEAN's general aversion to institutional legalism – was pointed out by supporters as testimony to the group's success in resolving disputes through the mechanism of the ASEAN Way. As far as moves towards an economic community is concerned, after initial reservations towards regional economic integration owing to protectionist ideology and nationalist outlook of member states, the establishment of ASEAN Free Trade Area (AFTA) from late 1980's buoyed the move towards trade liberalization.

In fact, by the 1990's, the member states of ASEAN were in a position to claim the Association's approach through the norms of the 'ASEAN Way' as a great success

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members are not damaged. More uniquely and in contrast with other inter-governmental organizations, there is no voting provision in case of consensus failure.

[28] The first formal agreement happened not before 1976 when the Treaty of Amity and Cooperation (TAC) was signed. It was followed by other legally binding agreements in the form of AFTA (1992), SEANWFZ (1995) and ASEAN agreement on Trans-boundary Haze Pollution (2002).

story for the promotion of regional cooperation and having more utility than the formal modes of cooperation. Its success and recognition even enhanced ASEAN's position as one providing a blueprint for other regional multilateral initiatives like APEC and ARF, thus enhancing the organization's credibility as a model for the promotion of Asia Pacific regionalism (Acharya 2001: 6; Pooh 2001: 255).

Australia's Reorientation towards Southeast Asia

While emergence of ASEAN marked a major transformation in Southeast Asia, Australia was grappling with its own set of complexities as it moved into the world of 1970's. Such complexities provided the basis of change in Australia as well, with various questions being raised regarding the position of the country and its conception of managing security and prosperity. Australia's participation in the Vietnam War proved to be its longest war till date inflicting the highest number of causalities in an overseas conflict and generated considerable social and political dissent all over the country. From 1962 till the withdrawal of Australian combat forces in 1971, more than 50,000 Australian personnel had served in Vietnam which left 521 dead and 2393 wounded (Commonwealth of Australia: 2014). Disillusioned by the war, US President Nixon's (1969: 6) address to the nation, urging allies 'directly threatened to assume the primary responsibility of providing the manpower for its defense', brought into question the feasibility of Australia's forward defense policy with tokenary character of overseas military assistance. Normalization of diplomatic relations between USA and China also called for a reorientation of Australia's attitude towards the latter which Australia regarded till now as a communist outlaw. And more importantly, Southeast Asia became a much more complex region, where threats from monolithic communism to Australia from the countries of the north was replaced by a situation where some communist countries were American friends and some were its enemies (Firth 2005 :38).

Adding to these strategic complexities was Australia's precarious economic position from the 1970's, replacing the golden age of prosperity evident during the post war period. This economic turnaround was as much shaped by international developments as it was due to the country's own economic policies thereby challenging its traditionally held beliefs of maintaining prosperity in the global context. The fall of the

Bretton Woods system in 1971 – a system which brought unprecedented economic stability and growth in western industrialized countries in the post war period - permanently weakened the global financial and trading order initiating a prolong period of instability in international monetary arrangements. Great Britain's entry in the European Economic Community (EEC) in 1973 symbolized the culmination of the Australia's economic security through the British imperial preference system (Griffith and Wesley 2010: 17). In the same year, oil embargos by the OPEC against western countries initiated a phase of economic recession and threats to energy security in much of the industrialized world. Australia was not isolated from these developments, as it once benefitted from the global economic upswing by using the same 'Keynesian' strategies of regulated economy as other western industrialized countries even while it remained highly protectionist (Firth 2005: 107). The fall of the Bretton woods system triggered unprecedented inflation and unemployment in the country, its growth rate declined and its share in international trade became more precarious. Australia's policy of exporting primary commodities and industrializing behind high tariff walls came in for considerable criticism as it left industries inefficient with low productivity. It generated a new consensus that called for a revised policy of deregulation, reduction in protectionism by lowering tariffs and diversification of the country's exports in order to restore productivity and enable the economy to respond to the new environment. Among other factors, one reason for such policy prescription was the observation that while Australia was mired in economic sluggishness, its neighboring economies in North and Southeast Asia initiated a period of miraculous economic growth, with lower tariffs and export of competitively priced manufactures. As firth (2005: 109) noted, in the period between 1972-82, while Australia's growth rate was an average of 2 % per year, Hong Kong grew by 9% followed by South Korea, Singapore and Taiwan with a growth rate of 8%. These four countries, dubbed as 'Asian Tigers', continued this economic upswing in the following decade as well, transforming themselves in a model commanding world attention and shifting the centre of world manufacturing production from USA and Europe towards East Asia.

Such complexities generated a reorientation of Australia's economic and strategic outlook as well as the country's approach towards Southeast Asia. As Evans (1995: 220) pointed out

> One big lesson of Vietnam was the need to comprehensively rethink our whole approach to the larger Southeast Asia region….Australia simply had no alternative but to come to grips with its neighboring region and try to define a positive relationship with it. It had to be a relationship based on an acceptance of the region not as a buffer zone between us and invasion but as an area of opportunity where Australia must be comprehensively engaged.

Such a line of thinking was clearly evident during the tenure of Whitlam, who wanted Australia to have an assessment of its own regional priorities, breaking away from the subservience of its imperial protectors. In addition by positioning Australia as a country which could play a constructive role towards positive developments in Indo-China, Whitlam, in an address in 1973, pointed out to the damage Australia have done by its 'western ideological preoccupations particularly in Southeast Asia', and stated that nothing that the country does 'by action or inaction with contribute to a second final loss of opportunity'. Whitlam went on to assert that Australia 'will see the end of the old inhibitions' and 'the self-defeating fears' about the country's place in the world and the 'beginning of new creativity' (Whitlam 1973).

Australia withdrew its last military personnel from Vietnam in 1972 and adopted a policy of maintaining a balance between Hanoi and Saigon with the immediate objective to play a role in final settlement of Vietnam. From Australia's perspective, this balance was essential for its own interest and initiation of an independent course in its foreign policy, while at the same time ensuring some sort of policy conformity with ASEAN. So even as North Vietnam's potential as a significant power in the region in addition to Australia's long-term trading interest and an opportunity to pursue an independent foreign policy were advantages good enough for Australia to establish diplomatic relations with Hanoi, such relations were conditional on Hanoi's acceptance of Australia's relations with Saigon so as to avoid antagonizing the US and ASEAN. In fact, Australia consistently maintained that the border between North and South Vietnam is only temporary in nature and it was prepared to rehabilitate the whole of the Vietnam

in the form of economic aid following the cessation of hostilities. Australia also encouraged participation of both North (DRV) and South (PRG) Vietnam in United Nations and other regional bodies which was seen as providing the most useful means for entering into cooperative arrangements with regional neighbors (Dee and Frost: 182).[29] Similarly with Cambodia, Australia curtailed all military involvement and showed a policy of accommodation and readiness to enter into relations with any government which emphasizes effective control in Phomn Penn. Australia maintained relations with self-proclaimed president Lol Nol, following the latter's coup against Sihanouk, while at the same the country developed informal contacts with the latter's guerilla based government of the National Union of Kampuchea (GRUNK). However, continued infighting tested Australia's position on Cambodia and thwarted the development of a firm basis towards the country. Nevertheless, what was evident in Australia's foreign policy was a conscious attempt to reach out to Southeast Asia, accepting the developments in the region as something which had to be accommodated in light of its own nation interest. Embarking on a policy of non-interference in Asian political change, Australia accepted without protest the advent of communist government in Cambodia, Laos and Vietnam, thereby marking a radical policy shift since the days when preserving Indo-China from the influence of communism was deemed essential for Australia's security (Dee and Frost 2003: 182).

The most significant illustration of Australia's regional policy was establishing dialogue partnership with ASEAN. Commencing from 1974, the ASEAN-Australia dialogue was the first occasion where ASEAN discussed economic cooperative projects with a non-member. The institutionalization of the partnership through the ASEAN-Australia forum and Post Ministerial Conferences (PMC) presented an opportunity for both Australia and ASEAN to work out economic issues. While for ASEAN it served as a forum in deciding the modalities of accessing its agricultural products to Australian markets, for Australia, relations with ASEAN became a useful channel for engagement

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[29] However following the breakdown of the Paris Peace Agreement, Australia was convinced that communist Victory in Vietnam and reunification of the country under Hanoi was inevitable and probably the only way to end the conflict. Consequently Australia tilted its policy in the side of Hanoi and even tried to persuade RVN to accept the inevitability. It did it through various diplomatic mechanisms such as letters and messages which were sent to both RVN and DRV and even used Australian ambassador in Saigon to asserted RVN to negotiate with DRV with the purpose of reunification.

with Southeast Asia as a region.[30] More specifically for Australia, the channeling of development aid – which is a major instrument in Australia's relations with Southeast Asian countries – through ASEAN enabled the aid programme to assume a regional dimension giving it an added measure of efficiency and political impact (Severino 2006: 310-11). In the security realm, the FPDA involving Singapore and Malaysia represented Australia's most important security tie with Southeast Asia. Australia also endorsed the ASEAN concept of Zone of Peace Freedom and Neutrality (ZOPFAN) – an idea over which Australia was initially skeptical about and considered the proposal to be impractical when it was first proposed by Malaysia in 1971. This endorsement reflected not just the importance of ASEAN as a regional organization, but also an evolving harmony between Australia's external orientation, which discouraged the role of ideology and military alliances in Asian affairs while stressing the desirability of economic cooperation, and ASEAN's policy of freeing the region from big power interference as exemplified in the ZOPFAN idea as well as in the norms of the ASEAN way (Thayer 1997: 258). Another element of synchronization between Australia and ASEAN was over the manner in which the organization intended to operate itself which fitted comfortably with Australia's own approach towards the region. Rather than developing into a wholly new grouping, ASEAN remained largely cooperative and consultative in character, with its members equally pursuing bilateral links with each other and with the outside world, reflecting a sense of mutual commitment within a network of linkages which is also at the heart of Australia's approach to the region (Evans 1995: 196)[31]. Bilaterally, the cornerstone of Australia's regional policy was reaching out to Indonesia. Appreciating

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[30]ASEAN however had reservations on Australia's liberalization policy and perceived certain protectionist measures as preventing the member states' access to Australian markets. In a trade memorandum to Australia in 1976, ASEAN voiced complaints on Australia's tariff preferences having limited benefit to ASEAN economies as well as a general lack of consultations on sectors that affected ASEAN interest. Even though more heed was paid to ASEAN concerns from the 1970's in Australia-ASEAN consultative meetings, the overall improvement in trade relations had to wait till renewed liberalization of the mid-80's. For a detailed analysis on Australia ASEAN differences over trade issues in the 1970's see, John Ravenhill (1998) "Adjusting to the ASEAN Way: Thirty Years of Australia's Relations with ASEAN", *The Pacific Review*, 11(2), pp 274- 276. Also see Rodolfo C.Severino(2006), *Southeast Asia in search of an ASEAN Community: Insights from the former ASEAN Secretary General*, Singapore: Institute of Southeast Asian Studies. 310.

[31] The importance of bilateralism with the outside world reflected in the economic agenda of ASEAN declaration itself which called for expansion of trade generally and not necessarily among themselves. It was the result of ASEAN countries preoccupation with international commodity trade the markets of which were developed countries rather than ASEAN (Soverino 2006: 212-13).

the progress of the New Order of Suharto, Whitlam (1973), in an address in 1973, maintained that the importance of Indonesia to Australia is 'indisputable' and destinies of both nations 'inseparable to each other. As a matter of fact, Australia's Indonesia policy was a subject of debate as to whether it actually reflected a sense of radicalism and change in the post-Guam years or whether a traditional realist mindset continued amidst the professed liberal internationalist practice (George 2007: 22-23). Such realist continuity were evident first in the tactic appreciation by Australia of Suharto's New Order regime followed by support for Indonesia's East Timor invasion, which ran in contrary to Australia's proclamations as a country championing the cause of self-determination and global justice. For Australia, the objective behind both these moves was to establish a strong bilateral relationship with the most powerful state in the region, which could act as a gateway towards Australia's regional diplomacy. Another significant transformation occurred within Australia itself, but one which had important repercussions in terms of regional engagement. That transformation was the emergence of Australia as a multicultural nation, following the complete collapse of the racial criteria which was the defining feature of the country for much of the 20th century. Even as progressive dismantling of the white Australia policy took place in several stages from the 1950's, an effected end to it came in 1966 with the introduction of the Migration Act followed by the racial discrimination Act of 1975, which brought a legal end to the white Australia policy[32].

The crucial elements of Australia's regional engagement continued under the new liberal government of Malcolm Frazer, even though the period witnessed a return back to foreign policy traditionalism of the cold war days, in contrast to assertion of independence and radicalism of the predecessor government. The reason for such traditionalism was Frazer's pessimism towards USSR, and saw its expansion as a serious threat to world peace and a primary concern of Australia's global perspective.

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[32] The migration act announced by the Holt liberal government in 1966 constituted a watershed in dismantling the White Australia policy wherein the restrictions that had blocked the entry of non-European migrants were relaxed and it included access to migrants other than those from Europe including refugees fleeing from Vietnam War. Popularizing the term 'multiculturalism' in 1973, Whitlam implemented a series of amendments to remove race as a factor in Australia's immigration policy. Subsequently the racial discrimination act of 1975 made illegal the usage of racial criteria in official purposes.

Consequently, Frazer reassured the importance of American alliance and ANZUS as a 'simple, cheap and effective way of securing the country's interest in Asia (Evans and Grant 1995: 27). The change in Australia's global perception didn't lead to any major reorientation of Australia regional policy as such. Following the Soviet Union's acquisition of military bases in Vietnam and invasion of Afghanistan, Frazer reemphasized the Soviet threat scenario declaring that 'the world is probably facing the most dangerous international crisis since World War II' (Commonwealth of Australia 1980: 1). Nevertheless such global assessment has not led to the conclusion that Australia faces the prospect of any regional threat. Australian policy makers assessed that while the collapse of détente limited moves towards self-reliance, we are not witnessing a return to the cold war dynamics and thus Australia need not move back to the strategy of forward defense in Southeast Asia (Pitty 2003: 50). In a similar vein, the Joint Committee on Foreign Affairs and Defense report published in 1981 pointed out that Australia is 'more likely to suffer low level contingencies' rather than being 'automatically or immediately involved in a conflict associated with a general war' and therefore prominence should be given on 'improving our self-reliance within our region' through 'active diplomacy, trade, aid and defense cooperation with regional states' (Commonwealth of Australia 1981: 13,51).

In the economic front, Australia sought to develop more collaboration on trade issues and assuage ASEAN concerns. This was following the two trade memorandums by ASEAN in 1976 and 1978, where the grouping expressed concerns about Australian protectionism, lack of consultation with the grouping and limited utility of Australia's generalized system of preferences for ASEAN exports. The creation of ASEAN-Australia consultative meetings and a working group to notify changes in Australia's trade policy, which might have a bearing on ASEAN, were instances of Australia's response to negate ASEAN reservations (Frost 1982: 155). The need for a new direction in Australia's domestic economy through linkage with the emerging regional economies, and the need for institutional arrangements to facilitate such links, prompted Australia to play a part, in association with ASEAN, to the promotion of regional economic cooperation through PECC meetings in 1980's. A key role in this regard was played by Sir John Crawford, the Chancellor of ANU who, along with Japanese Foreign Minister Sabura Okita, organized

the first major conference on regional economic cooperation in 1980 involving Australia, Canada, Japan, New Zealand, US, the then five ASEAN countries, South Korea and one delegation from the South Pacific, to look into the feasibility of creating a Pacific Community[33]. Australia emphasized on an exercise towards regional economic community that would be 'cautious and gradual' with avoidance of military and security issues and with a 'fairly loose and as far as possible non-institutionalized structure'. (Pitty 2003: 16). This was a line of thinking which is in conformity with the principles of ASEAN regionalism. More importantly, the Crawford – Okita initiative worked diligently to overcome ASEAN's concerns regarding the viability of pacific cooperation, leading to the further development of PECC.[34] The ANU seminar initiated a series of PECC conferences in the 1980's, held under the name of PECC, which eventually laid the groundwork for a more formal institutional structure in the form of APEC.

Australia maintained its foreign policy continuity by trying to establish a strong bilateral relationship with Indonesia. Frazer's apprehension of the Soviet threat as well economic pragmatism played a significant part. The fear of a Soviet-Vietnam axis in the region induced Frazer to maintain Australian aid and support for the Suharto regime, and

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[33] Proposal for increased regional economic cooperation were put forwards even during 1960's first of which came from Japan leading to the creation of Pacific Basin Economic Council linking the economies of USA, Japan, Australia, Canada and New Zealand in 1967. In the same year the then Japanese Foreign Minister Takeo Miki saw the need for greater regional cooperation involving the developing countries. However the idea couldn't materialize as countries such as Australia disregarding the proposal because of potential inclusion of China. In 1976 the idea of creating an Organization of Pacific Trade and Development (OPTAD) was put forward by the same duo of Crawford and Okita. The proposal could not take off as the Department of Foreign Affairs pointing to its shortfalls concluded that 'time is not ripe for them'. For a detailed analysis of attempts at regional economic integration prior to the formation of APEC, see RodericPitty(2003), "Regional Economic Cooperation" in David Goldsworthy and Peter Edwards (eds.)*Facing North: A Century of Australian Engagement with Asia – Volume 2:1970s to 2000,*Melbourne: Melbourne University Press and the Department of Foreign Affairs and Trade, pp 14-17. Also see Mark Borthwick (2005), "Building Momentum: The Movement Towards Pacific Economic Cooperation Prior to 1980" in Kihwan Kim and Soogil Young (eds.) *The Evolution of PECC: The First 25 Years*, Singapore: PECC International Secretariat.

[34]ASEAN was concerned that the new body might be detrimental and counterproductive to the strengthening and development of ASEAN solidarity. This skepticism was aptly expressed in a statement by Malaysia's then Minister of Foreign Affairs Tan Sri M. Gahazali that it could be a'staking horse for the larger strategic objectives of Australia, Japan and USA. Objections were also raised by Philippines as the minister of Economic Planning Gerardo Sicat who considering it 'premature' to support the creation of pacific community putting more faith on ASEAN 'bilateral dialogues' than a 'multilateralized consultation system'. (Pitty 2003: 16-17; Borthwick 2005: 7-8). For a detailed analysis on Malaysian response to PECC see Ghazali Bin Shafie and Tan Sri M. (1981), "Toward a Pacific Basin Community: A Malaysian Perception", in *Pacific Region Interdependencies*, US Congress, Joint Economic Committee, Washington DC: US Government Printing Office.

most importantly, the latter's occupation of East Timor (George 2007: 23). Accordingly, in 1978, Australia accorded defacto recognition of Indonesia's occupation of East Timor, in line with ASEAN policy, but going against the UNGA resolution on East Timor which continued to regard East Timor as a Portuguese dependent territory.[35] It revealed elements of contradiction in Australia's foreign policy as it sought to combine elements that didn't sit easily together. While there was the avowedly pragmatic policy of accepting the reality of Indonesian control to maintain a strong bilateral relationship with Indonesia, yet on the other hand Australia continued to deplore the ways in which Indonesian control has been established – that is by military means and without the consent of the East Timorese (Goldsworthy 2003: 218). This contradiction was aptly reflected in the Minister of Foreign Affairs, Andrew Peacock's statement in 1978, that the Indonesian annexation is a 'reality which we must come to terms with' and accordingly 'the government has decided that although it remains critical of the means by which integration was brought about it would be unrealistic to continue to refuse to recognize defacto that East Timor is part of Indonesia' (Commonwealth of Australia: 1978). Economic interest soon drove Australia to dejure recognition so as to ensure negotiations on the sea bed boundary on the oil rich Timor Gap area which eventually began in 1979.

As far as Indo-China was concerned, Australia maintained a certain level of coordination with ASEAN and yet chartered an independent course by dissociating itself not only with the policies of the organization but also with its primary ally USA. For instance, it continued to cultivate closer relations with Vietnam through official visits and aid pronouncements, rather than follow the US lead in vetoing Vietnamese admission in UN. At the same time, like ASEAN, Australia remained wary about the Soviet –Vietnam nexus and the latter's policy towards Cambodia. This dilemma was echoed in a statement by a foreign affairs official that 'it would be no more in our interest to have any more distant a relationship with Vietnam than it would be now for our policies not to be supportive of ASEAN's demonstration of concern about Vietnam's present behavior and apparent intentions'(Dee and Frost 2004: 184). Vietnamese aggressive posture even induced Australia to lean towards establishing diplomatic relations with Khmer Rouge

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[35] Indonesian ASEAN partners Malaysia, Philippines, Singapore and Thailand expressed support for Indonesian sovereignty by consistently voting against the resolution of UNGS which each year until 1982 voted to support east Timorese claim to self-determination.

controlled Democratic Kampuchea (DK), as a balance to the influence of Vietnam, despite being critical of the gross human rights violations of the regime.[36] Resuming diplomatic relations would also keep Australian policy in synergy with ASEAN which, in 'defense of the principle of non-interference', refused to 'address the genocidal acts of Pol Pot regime' (Acharya 2001: 59). The same doctrine was again invoked by ASEAN in opposing Vietnam's invasion of Cambodia in 1979. Australia did the same, with Frazer viewing the invasion - barely two months after Vietnam-USSR military alliance - as introducing 'a font for the eastern bloc in Southeast Asia' (Dee and Frost: 189). Australia, while withholding diplomatic relations from Vietnam backed People's Republic of Kampuches (PRK), continued to recognize the Pol Pot led DK government in exile. However, even as Australia generally supported ASEAN's policy towards Cambodia, it also felt the necessity of remaining flexible and responding pragmatically to the changing developments in the region. It was evident in a cabinet decision in September 1980, of giving only short term recognition to DK (recognition eventually withdrawan in February, 1981) by breaking ranks with ASEAN as well as USA. Even though Australia's decision didn't affect the terms of the resolution on Cambodia that it cosponsored with ASEAN, it nevertheless was a landmark decision that helped to clear the way for further Australian initiatives on Cambodia. (Dee and Frost 2003: 191).

However, no such divergence was evident as far as Australia's refugee policy was concerned. As the refugee exodus on Australia intensified throughout the latter half of the 1970's, and especially after the arrival of the unofficial 'boat people', the government gave strong support to ASEAN policy of internationalizing the issue by drawing in the western states for more financial assistance and resettlement commitments.[37]Australia

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[36] Australia's approach of entering into relationship with any government that exercises control with the support of the Cambodian people led it to give formal recognition first to LolNol regime in 1970 and then to the Khmer Rouge after its takeover in 1975. However continuing atrocities and gross human rights violations led Australia to terminate relations with LolNol and also prevented in the initial stages from establishing diplomatic relations with Pol Pot. Fraser in particular strongly condemned the abuse of human rights by the DK regime but Australia in the late 1970's started leaning towards resuming diplomatic relations as Frazer saw more merit in resumption of diplomatic relations not only to maintain balance against Vietnam but also as an opportunity to voice opposition to human rights violations in contrast to the value of maintaining public criticism without formal relations.

[37] The term 'boat people' got introduced in Australia's vernacular with the arrival of first boat in 1976 carrying people looking for asylum after the Vietnam War. Over the next five years a total of 2059 Vietnamese boat people arrived in Australian shores. It was following an agreement with Vietnam for orderly migration in 1972, the arrivals came to a halt but only till 1989 which the advent of 2nd wave of

also played its part through informal meetings and representations to the UNHCR executive committee in 1977 and announced an increase in financial contribution amounting to $540,000 for general programmes. (UNHCR 1977). Representations eventually led to the first Geneva conferences on the Indo-Chinese refugees convened by the UN Secretary General in 1979. Attended by 65 states, the conference resulted in a 'burden sharing' arrangement which assigned and formally instituted international obligation to the countries of origin first asylum and eventual settlement (Hetton 1989: 23). But more importantly, Australia itself reinforced its multicultural identity by taking a significant share of the refugee burden. In the period between 1975-1980, a total of 41,973 refugees had been accepted, representing an intake rate of one refugee for every 800 Australians, which was one of the highest per capita asylum acceptance rate by any country (Dee and Frost 2003: 195). Australia's intake continued to rise with Vietnam's invasion of Cambodia in 1978, followed by continued infighting between Vietnam and Khmer rouge forces bringing into fore the gigantic task of resettling thousands of Cambodian refugees housed in Thai-Cambodian border camps. In fact during the tenure of liberal national party from 1976-1983, a total of 76,243 indo-Chinese were admitted under the Refugees and Special Humanitarian Programme (ibid: 195-196). And equally fascinating was the fact that, despite initial opposition to the arrival of boat people, the Australian public was generally receptive to the government process of refugee absorption. These developments only confirmed the complete collapse of the racial criteria that defined Australia in much of the 20th century. And that happened, as Meaney (1995: 171) observes, quite within a short period of time and without any great disturbance to the country's social and cultural fabric wherein Australia's idea of Asia, of race and also of itself underwent a remarkable metamorphosis.

Regionalism as an Active Middle Power

Australia's attention towards regional engagement continued with the advent of Labor government to power in 1983 and only intensified from late 80's as the changing international scenario, brought about by the end of cold war, saw its effects felt not only

unofficial asylum seekers. For details refer, Commonwealth of Australia (2013), *Boat Arrivals in Australia since 1976*, Research Paper: Department of Parliamentary Services, Canberra: Australia Government Publishing Services.

in Australia but also in the region. One significant effect, as far as Australia was concerned, was a greater use of the middle power rhetoric as an important mechanism to play a constructive role in regional diplomacy. The use of 'middle power' concept in official policy pronouncements was evident even during the tenure of predecessors Whitlam and Frazer. Whitlam's attempt to pursue an independent course in foreign policy, rather than be a 'US Satellite', and play an active role in the settlement of the Vietnam imbroglio was typical of classic middle power behavior. This was precisely how Whitlam (1973) characterized Australia in an address to the National Press Club in Washington in 1973, where he pointed out that Australia is a 'middle power with substantial recourses' making its 'own assessments and its own decisions' and that the country's friendship with USA in this position 'provides a better basis for a durable relationship than that existed in the past'. Such independent stance towards Indo-China was evident even during Frazer, where Australia occasionally broke ranks with both USA as well as ASEAN in order to achieve a breakthrough in the Cambodian crisis. In a speech to the Commonwealth Head of the Government Meeting in 1981, Frazer (1981) followed Whitlam in describing Australia as an 'enlightened and responsible' middle power who has much to contribute in key issues confronting the international community.

However, it was only since mid 1980's, that Australia's coalition building diplomacy gave widespread international recognition of itself as a middle power capable of producing outcomes in niche areas. Contextual factors also played its part as the end of the cold war offered middle powers the freedom and opportunity to play a more activist role in international politics. Accommodating this contextual change, Australian foreign minister Gareth Evans used the notion of middle power diplomacy to describe Australia's response to the uncertainties and opportunities of the post cold war world (Ungerer 2007b: 547). In fact, the tenure of Evans was the golden period as far as the usage of the term 'middle power' in official policy pronouncements is concerned, as Australia pursued a vigorous and proactive regional foreign policy agenda. By doing this Australia were trying to generate an image of a significant neighbor which fits into the process of regional community building. And even though there were alternate visions of region building which contradicted and challenged Australia's policy, its commitment towards regional engagement constituted a defining feature of Foreign policy.

The rationale behind such initiatives lay in the domestic problem of grappling with an economy which was losing international competitiveness and the fear of the country's alienation from the rising economies of East and Southeast Asia. Australia under Prime Minister Hawke continued to seek neo-liberal solutions for its economic problems even though historically they were not a part of the labor tradition. The government floated the dollar in 1983, restrained wage increases to deregulate the labor market under the Prices and Income Accords, made significant cuts on import quotas and tariffs and announced a number of micro-economic reforms in a March 1991 statement '*Building a competitive Australia*' that included competition, privatization and corporatization, particularly of the government business enterprises, with the intension of 'increasing the productive capacity of an economy that will be more internationally competitive'(Hawke 1991). In the administrative front, Australia appointed Stuart Harris an economist at the head of the Department of Foreign Affairs in 1984 and made a major bureaucratic reorganization by merging the Departments of Foreign Affairs and Trade in 1987 signaling the salience of trade objective in Australian diplomacy (Pitty 2003: 20).

However these were liberalization initiatives of a unilateral kind and were undertaken at a time when major industrialized economies resorted to protectionist measures there by damaging Australian exports. One such damage was inflicted by the export subsidies to agricultural products – one which is outside the preview of GATT - by the European Union as it challenged US dominance, thereby provoking retaliation by the latter in the form of export subsidies of its own particularly in wheat. As USA and Europe fought trade wars for greater access for agricultural markets, Australia lost out on its own traditional overseas market which threatened its export and led to increase in foreign debt. USA could also use its political leverage to influence Japan for a bilateral agreement which increased the latter's quota of American beef imports at the cost of Australian beef.

This was a problem confronting not only Australia but many agricultural exporting countries that were losing out on international market as they couldn't compete against the agricultural subsidies provided by the industrialized economies of USA and European Union. The situation was highlighted in a statement by the Australian minister of Trade and Overseas Development Neal Blewett, who summed up the plight of such

nations stating that the farmers in these countries are 'being placed in a financial vice by the economic vandalism of the world's strongest nations' and while they 'face a future as welfare recipients' others in the more developed world 'live well on the public purse' (Department of Foreign Affairs 1991: 3). And since agricultural trade was exempted from GATT rules, there were no institutional mechanism to ensure fairness through market access by all rather than dominance by a few. Unable to confront the Americans even after persistent efforts, Australia could realize its position that as a small and less influential player in international trade, its goals will be best served not just by unilateral liberalization or by bilateral deals but by a rule based multilateral trading regime both at the regional and global level.[38] The need of the hour was a collective effort by the marginalized countries and here Australia played a central role towards the formation of a coalition of small and middle powers to campaign for reforming the GATT ahead of its Uruguay round of negotiations in 1986. Australia hosted a conference of fair traders at Crains in August 1986, attended by 13 countries, eventually leading to the formations of Crains Group with the objective of reforming the GATT rules to include agricultural trade so that they can get greater access to overseas market on a fairer basis. Australia's role was also pivotal in providing technical and intellectual leadership in preparing negotiating arguments that defended the coalition's position in complex GATT negotiations that included over a hundred countries. The Crains group gave a new confidence to Australia to be able to provide leadership as a middle power, and the eventual inclusion of agricultural trade as part of GATT system in the Uruguay round epitomized Australia's successful effort in coalition building with likeminded countries.

At the regional level, Australia played a key role in initiating the liberalization process through the formation of APEC – a role which once again elevated Australia's

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[38] Australia's foreign minister Bill Hayden even attempted to link - though without any success - the grain dispute with security concessions by raising the prospect of Australia reconsidering the presence of nuclear related US joint facilities in its soil until USA backtracks its trade policies which undermined Australian exports. In talks between US and Australian delegation in 1986 at San Francisco Hayden asked, 'What contribution to Australia's security could outweigh the subversion of Australia's economy?' He further added that 'our ability to contribute to regional stability at a time when it is facing new challenges will be impaired by our economic difficulties, many of which stem from the blow to our import earnings inflicted by agricultural subsidies'. For Details see, Associated Press (1986), Australia Questions US Alliance due to Protectionism, [Online: web] Accessed 16 June 2014 URL: http://www.apnewsarchive.com/1986/Australians-Question-U-S-Alliance-Dueto%20Protectionism/id88381fd2544e33ad83c25cee416a7422.

position as a country which has got the credentials to play an active role in regional middle power diplomacy. APEC was formed at a time when the cold war was towads an end, bringing a major change in the international agenda which was now dominated by economic issues exhibited by the power of liberal ideas and global market forces. Characterizing this change, Australian minister of Foreign Affairs Gareth Evans argued that in such circumstances the middle power diplomacy of Australia could at as a catalyst for a global transition towards a more just and peaceful 21stcentury (George 2007:24). Notwithstanding the normative connotations evident in the statement, Australia had compelling motives for pursuing such middle power activism. The process of regional institution building in Europe and North America prompted Australia's fear of the global economy fragmenting into regional trading blocs by moving away from the multilateral trading system. Such a development was discomforting for Australia as its geo-political paradox of being labeled as a western outpost located in Asia does not make it an obvious candidate for membership in those blocs. This was coupled with a need to integrate Australian economy with the newly industrialized economies of Asia. A 1989 report by Ross Garnaut, an economist commission by the labor government to review the implications for Australia of the economic growth in East Asia at a time when the country was looking for ways to internationalize its economy and make it more competitive, expounded this point. Titled *Australia and the Northeast Asian Ascendency*, the Garnaut report, as it was so called, exhibited the exponential economic growth of Northeast Asian economies resulting in a 'historic shift in the centre of gravity of economic production and power toward Northeast Asia' (Garnaut 1989: 36). While noting the possibilities of Australia's location alongside the booming economies of East Asia, the report urged the need for Australia to liberalize and integrate its economy in order to share the economic prosperity of its north. This necessitates a move away from protectionism to free trade with a complete end to tariff by the year 2000.

This need for regional economic integration through a multilateral forum coupled with a fear of exclusion from any emerging regional arrangements provided the pretext for Australia to favor APEC which, the country believed, could pave way for trade liberalization while at the same time be inclusive enough to accommodate Australia in any emerging regional mechanism. In a speech to the Korean Business Association at

Seoul in January 1989, Australian Prime Minister Bob Hawke (1989) highlighted Australia's diplomatic activism for building a formal intergovernmental vehicle for regional cooperation stating that, 'the time has come for us to substantially increase our efforts towards building regional cooperation and seriously to investigate what areas it might focus on and what form it might take'. In the same year in November, the Asia Pacific Economic Cooperation (APEC) took shape, with its inaugural ministerial meeting in Canberra, chaired by the Australian Minister of Foreign Affairs Gareth Evans.

Being the preeminent regional body, ASEAN's support was undoubtedly essential for APEC to take off and garnering that support was also a considerable achievement of Australian diplomacy. Initially ASEAN expressed concerns over the feasibility of having a new organization. In an attempt to assuage ASEAN concern and affirming the primacy of the grouping in the broader regional mechanism, Gareth Evans (1989 :7), in an address at the 12th Australia-ASEAN forum, assured that APEC won't be 'diminishing in any way the significance of ASEAN or such other valuable institutions such as the ASEAN Prime Ministerial Conference' and that 'ASEAN is and is likely to remain the preeminent body in the region' and a more inclusive regional grouping will only 'enhance the capacity of ASEAN, and of the other participants, to project their economic interest regionally and globally'. Eventually in September 1989, the ASEAN Economic Ministers expressed their support for the initiative and even offered to host the 2nd Ministerial level meeting. Australian lobbying also played a part in raising the level of APEC's meeting to involve the leaders, as was done during the Seattle meet in 1993, a move which Prime Minister Paul Keating thought gave Australia, for the first time, ' a seat at a very big and powerful table' (Dobell 2000: 17).

The most powerful challenge to Australia's attempt towards Asia-Pacific regional economic integration came from Malaysia. Advocating notions of a unique Asian identity, Malaysian Prime Minister Dr. Mahathir Mohammad advocated a more exclusive East Asia Economic Grouping (EAEG) linking ASEAN with Northeast Asian Economies thereby excluding Australia. In Mahathir's view, Australia does not form a part of Asia either geographically or culturally as they posses divergent values and 'ASEAN should not allow others from outside the region to set the pace for cooperation in the context of APEC' (ASEAN Secretariat 2014). With Mahathir's EAEG concept posing a challenge

to APEC, Australia pursued considerable diplomatic maneuvering to get APEC going. Using his close personal affinity with Suharto, Keating put forward the Indonesian leader to prevent the stalling of the APEC. Categorizing relationship with Indonesia as the core in Australia's regional policy, Keating, a month before the Bogar summit, described Suharto's vision as representing a new level of leadership from Asia and a new level of leadership from the developing world (Pitty 2003: 35). The Australian Prime Minister later praised Suharto for his role in securing agreement to the final communiqué in the 1994 Bogar Summit, and in the process helped engineer an 'anti-Mahathir diplomatic coup' ensuring that the Malaysian Prime Minister does not have his way to the detriment of Australia (Ravenhill 1998 :281)[39].

Cairns Group and APEC are prime instances of Australia's successful coalition building effort with like-minded countries over areas of specific interest – a kind of niche diplomatic role which is characteristic of Middle powers. Using the analogy of Cooper, it was also 'heroic' in form wherein Australia demonstrated a great deal of diplomatic maneuvering in initiating the two processes in face of regional reservations and potential adversaries. From ensuring the formation of an inclusive grouping like APEC, in face of challenges from Malaysia's exclusive EAEC, to framing negotiating arguments in defense of Cairns group in GATT, Australia demonstrated remarkable intellectual leadership and management skills in moving the two processes forward. More importantly, it showed as to how effective middle power diplomacy can be. As Evans (1995: 347) pointed out, middle powers can occasionally do what great powers cannot and that APEC would have had much more difficulty in getting off the ground if USA or Japan had been its instigator. Moreover APEC positioned Australia as Middle power that could play a leadership role in regional institution building process. As Evans aptly puts it,

> Australia's leadership role in getting APEC going has been psychologically important not only in getting recognition from all those other countries of us as a player in the region but also generating that awareness among Australians and Australian businessman in particular,

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[39] Moreover the fact that other ASEAN countries persuaded Malaysia to reformulate Mahathir's proposal of EAEG into a more informal EAEC, it reflected the grouping's caution towards Mahathir's idea and reaffirmation of Australia's vision of an inclusive regional grouping.

that we really do have a major role and a major set of opportunities in this region.

<div align="right">(Pitty 2003: 28)</div>

If Cairns group and APEC were reflection of Australia's middle power credentials in the economic front, in security font it was Australia's peacekeeping effort in Cambodia. Australia believed that the key to conflict resolution lay in creating conditions of settlement between Vietnam and its neighbors. Viewing the ASEAN resolution on Cambodia as biased, being one-sidedly critical of Vietnam's aggression while ignoring the human right atrocities of Pol Pot, Australia went ahead in resuming diplomatic relations with Vietnam much to the disconcert of ASEAN. Australia's point of view was laid out by Prime Minister Hayden in Parliament, wherein it called for a comprehensive resolution of the dispute involving Vietnam's accommodation with its neighbors followed by the phased withdrawal of the Vietnamese troops leading to an act of self determination of Cambodia while preventing Pol Pot to come back to power (Dee and Frost 2003: 197). Australia went ahead in pursuing these objectives with considerable activism even as it caused some anxiety among ASEAN which presumed Australia's policies as assertiveness in regional affairs which runs counter to the norms of the association[40]. However, internationally there was a growing recognition of Australia as a significant regional player who could, by its expertise, play a major role towards the Cambodian settlement. More concrete proposals towards this end came from Gareth Evans. In the context of the failure of Paris International on Cambodia (PICC) in August 1989 to come up with any settlement, and resurgence of fighting following Vietnam's scheduled withdrawal from Cambodia three months later, Evans in an outline to the Senate on Nov, 1989, proposed 'building a transnational administration directly around the authority of UN' without involving any Cambodian party pending free and fair elections organized by the UN and held under international supervision (Commonwealth Parliamentary Debates 1989: 3298). This proposal was complimented by a major shuttle

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[40] Under Hayden's initiative a series of government sponsored seminar at Griffith University was organized in an attempt to create a forum for dialogue among all factions but excluding Pol Pot. Hayden also proposed in the ASEAN PMC in 1986 of the feasibility of establishing a tribunal in order to try Pol Pot of genocide – a demand which ASEAN opposed as it ran counter to its policies on Cambodia. It was only after the resumption of co sponsorship of ASEAN resolution in 1998 that enabled Australia to cooperate more actively with ASEAN.

diplomacy under the charge of DFAT's Deputy Secretary Michael Castello who helped garner support of key players like P5 and Indonesia for the initiative. In recognition to the contribution to the peace process, Foreign Minister Ali Alatas, who was the co-chairman of the Paris Conference, invited Australia as a resource delegation in an informal regional meeting held in Cambodia in 1990. Australia provided technical expertise with a 155 page series of working papers titled 'red book', providing the detailed role for the UN, the cost to be incurred and other elements necessary for a comprehensive settlement. The red book and the UN trust fund indicated the initiative oriented diplomacy of Australia in regional conflict resolution.

Throughout the period, Australia also ensured that the momentum towards settlement is maintained which culminated in the Final Agreement on Comprehensive Political Settlement of the Cambodian Conflict signed in 23rd October, 1991 which, according to Evans, was '85-90% attributable directly to the Australian proposal in its detailed content' (Dee and Frost 2003: 203). The agreement, in a desire to 'restore and maintain peace in Cambodia', called for an establishment of United Nations Transnational Authority in Cambodia (UNTAC) with civilian and military components to conduct free and fair elections of a constituent assemble in a neutral political environment leading to a new Cambodian government (United Nations 1992). Australia pressed hard, considering the fragile state of the peace process, for the earliest possible deployment of UNTAC. Once it was done in 1992, Australia contributed more than 600 personnel to various UNTAC components besides providing lieutenant general John Sanderson as a force commander for the operation (Dee and Frost 2003: 204). Australia also provided 65 personnel to 9 UN Advance Mission in Cambodia (UNAMIC), set up in 1991 as a precursor to UNTAC, to help create a neutral environment where Cambodian warring factions could maintain their ceasefire (Australian War Memorial 2013). Australia's central role and contribution in international peace-keeping effort in Cambodia was a significant exercise of regional diplomacy. And like APEC, Australian Cambodian initiative also demonstrated the effectiveness of middle power diplomacy in conflict resolution. Australia played a role which was more intellectual than politico-military, and the fact that it was not carrying any great power baggage enabled it to negotiate comfortably to parties involved in the dispute.

However, as was the case during the earlier period, and in context of regional engagement, contradictions in middle power principles and actual state behavior was also evident. Nowhere was this more glaring than Australia's policy towards Indonesia. Australia throughout the period projected itself as a responsible middle power upholding the norms of justice, human rights and of being a 'good international citizen' – all of which are the primary motivation of middle power diplomacy. Even Gareth Evans invoked the principles of justice and world peace in projecting Australia's middle power credentials even though he subsumed the notion of 'good international citizenship' within the broader context of a country's national interest (Evans 1995: 344; 2011: 4). However, with regard to Indonesia, Australia's policy was more a reflection of real-politic than upholding the moral connotations of middle power behavior. The primacy of maintaining good bilateral relationship with Indonesia, perceived as a crucial gateway to Australia's regional engagement, took precedence over supporting the East Timorese right to self-determination when Australia took sides with Indonesia over the latter's annexation of East Timor. This was accompanied by the economic motive of utilizing the recourse rich Timor Sea which could be possible only by accepting Indonesian sovereignty over territory. In his statement, the Australian Ambassador to Indonesia, Richard Woolcot, while rooting for Australia's stand, argued it to be a 'pragmatic rather than a principled stand but that is what national interest and foreign policy is all about' (Firth 2005:186). In opposed to middle powers working with multilateral institutions, Australia's policy was in contrast to UN who never recognized Indonesian sovereignty over East Timor. In fact, Australia voted against UNGA resolution supporting East Timorese independence, viewing the occupation as irreversible which all must come to terms with. However, the outcome of Australia's policy was the development of a solid bilateral footing with Indonesia with excellent personal affinity at the leader's level. It provided a strong basis for Australia's regional engagement process where the country could diplomatically use is relations with Indonesia to deter regional adversaries such as Malaysia.

Security regionalism: Self-Reliance with a Regional Dimension

The labor government which came to power in 1983 generally held the same beliefs as that of Whitlam and Frazer regarding Australia's security from regional and global developments. The *Review of Australia's Defense Capabilities* (commonly known as Dibb Report) published by the Department of Defense in 1986, and the Defense White Paper of 1987 – both shared the assertion that Australia's geo-political security environment is, and in near future will be, generally favorable as the country 'faces no identifiable direct military threat' (Commonwealth of Australia 1986: 1). As a corollary to the strategic circumstances, official policy pronouncements continued to assert moves towards defense self reliance as the most rational strategy for the defense of Australia. For instance, Gareth Evans in a ministerial statement in May 1984, pointed out the significance of the policy by saying that, 'befitting Australia's status as an independent nation, provision for self-reliance national defense should command priority in our defense policy' in contrast to the 'historical view of the Australian defense force as merely an adjunct to the military forces of a great and powerful friend and designed for operations as part of a larger allied effort in areas remote from Australia' (Commonwealth of Australia 1984: 1958). However, what was noteworthy was the government's acceptance of the importance of US security guarantee on the one hand and regional security on the other and it attempted to keep both in place within its promotion of self reliant defense policy. This was clearly reflected in a statement by defense minister Kim Beasley, that the self reliance defense policy was necessary not just for the independence of Australia but also to meet alliance obligation and promote strategic stability in the region (Pitty 2003: 55). The need for US security guarantee was clearly espoused in the 1987 Defense White Paper, which called for 'self reliance in defense and security of Australia pursued within the framework of alliances and agreements the most significant of which is with USA (Commonwealth of Australia 1987: 1).

But it was the regional dimension of the self reliant defense policy that was a major transformation from the preceding period. Rather than seeking security from the region, there was a greater accommodation of regional perceptions by Australia in its effort to be a part of the emerging regional security community. It did so by linking its self reliant defense policy with regional stability and by the acknowledging the

importance of ASEAN in promoting the same. This approach was evident in a statement by the foreign minister Bill Hayden in October 1983, where he described ASEAN as 'one of the fundamentally important forces for the stability of the region' and that Australia should 'aim to develop a regional role which is both independent and consonant with the views of regional countries' (Pitty 2003: 51). Official assessments on Australia's defense priorities also followed this line of thinking. An influential report by Paul Dibb commissioned by the Defense Ministry in 1987, to access Australia's future defense capabilities, recognized South East Asia as a 'sphere of primary strategic interest' where Australia's defense efforts should focus on continuing development of relationships and associations that foster a sense of shared concerns for regional security'(Commonwealth of Australia 1986: 4)[41]. Even though Australia's defense activities in the region was not to be determinant of Australia's force structure as they do in the area of direct military interest, the Dibb report did put Australia's relations with Southeast Asia in a new strategic context. The report also noted the geo-strategic importance of Indonesia as Australia's 'most important neighbor' in defense terms, whose protective barrier to Australia's northern approaches warrants a 'common interest in regional stability free from interference by potentially hostile external powers (Commonwealth of Australia 1986: 4). The region got more strategic prominence in the 1987 Defense White Paper, which moving away from the Dibb report, espoused an even wider concept of self-reliance by extending Australia's strategic region to include Southeast Asia, whose development could have a direct bearing on Australia's security. Incidentally, it was the region which was of secondary strategic importance for Dibb being outside the sphere of direct military interest. The White Paper highlighted that Australia and Southeast Asia share a 'common concern to strengthen regional stability' and Australia's approach to

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[41] The Dibb report recommended the development of ADF on three geo-strategic levels. The first is the 'Area of direct military interest' which ranges from the Cocos Island to the Southwest Pacific Islands and from the Archipelago and island chain in the north to the Southern Ocean where Australia should concentrate force structure priorities and seek to exert independent military power. Beyond this is the 'area of primary strategic interest' encompassing Southeast Asia and the Southwest Pacific where defense activities and projecting of military power should not determine force structure. Outside this region is beyond the effective exercise of military power where Australia's influence must rest primarily with diplomatic efforts in cooperation with others. For details see Commonwealth of Australia (1986), *Review of Australia's Defence Capabilities*, Report to the Minister for DefencebyMr Paul Dibb, March 1986, Canberra: Australian Government Publishing Service, p 3-4.

seek such security is through 'practical cooperation with the countries of ASEAN in activities of common defense interest' (Commonwealth of Australia 1987: 6, 15).

However, the White Paper did differ from the Dibb report in noticeable ways generating regional concerns. Even as both were synonymous in prescribing Australia to prioritize the development of self reliant defense forces for low level contingencies, the White Paper put more emphasis on offensive capabilities that might be required for higher level conflicts beyond Australia's immediate region. One instance was the White Paper's emphasis on the development of 'long range strike capabilities to respond quickly and lethally far from Australian shores' (Commonwealth of Australia 1987: viii). Beasely defended this position by arguing that 'Australia's defense posture cannot ignore the strategic circumstances of our neighborhood' and while the country's self reliant defense strategy was 'fundamentally defensive, it does not preclude the use of offensive tactics to achieve defensive goals' (Pitty 2003: 56-57). Such assessments led to strong reaction both from within the country as well as from the region. Critics accused Australia of playing the role of a regional policeman trying to make its presence felt by using military means rather than cultivating deeper relationships with the regional states. Former Indonesian ambassador Lieutenant general Hasan Habib, while refusing to accept Beasley's notion of Australia's defense posture being fundamentally defensive, stated that Australia is developing into a formidable military power whose hawkish military posture could cause misgivings as to its real intensions (Pitty 2003: 58). Even though there were signs of deterioration of relations with Indonesia over the issue, it was offset by the importance Australia accorded to Indonesia in the lead up to the creation of APEC.

However, neither the Dibb review nor the Defense White Paper placed much emphasis on security regionalism as such. The latter was more vigorously pursued only from the early 90's, starting with a review of Australia's strategic position in a statement titled *Australia's Regional Security* by Foreign Minister Gareth Evans in 1989. Evans (1995: 112) pointed out that 'Australia is committed to seeking security with Asia, and its own security can benefit by a process in which regional security relationships and habits of dialogue are established and can thrive'. Consequently, the statement prescribed a 'multidimensional policy', taking into account all components of engagement with the region towards building a regional security environment which would be in the national

interest of Australia. So what was needed was a policy of 'comprehensive engagement' with Southeast Asian nations through building a 'diverse and substantive array of linkages' and be a part of the emerging regional security community based on shared security interest (Commonwealth of Australia 1989: 1, 6). The review once again indicated the importance of ASEAN and the necessity of collaborating with regional associations in shaping a regional environment that is conductive to the interest of Australia and the region.

Post the 1989 statement, Australia actively pursued the case of developing a multilateral institution for the promotion of regional security. It advocated the establishment of a formal institutional structure in the form of Conference on Security and Cooperation in Asia (CSCA), which would enable the member states to discuss regional security issues. However, neither USA nor AEAN were receptive to the idea of a region-wide multilateral security forum at that stage. American apprehension was primarily borne out of the fact that any multilateral security forum might include the traditional sensitive subject of navel arms control in the Pacific. This case was explicitly pointed out by the US Secretary of State James Baker, in a letter to Gareth Evans in 1990, questioning the utility of regional security dialogue in Asia for either of the country's interest. Baker warned that 'a common security approach earlier espoused by Evans would in fact enable the Soviet Union to achieve its long held goals of Navel arms control in the Pacific' (Pitty 2003: 64). Even ASEAN member states like Malaysia and Indonesia held reservations about the development of a new institution where ASEAN might be relegated into the broader Asia Pacific network. Moreover CSCA implied a higher level of institutionalization that which runs counter to the professed principles of ASEAN.

Australia sought to mitigate these concerns as it went forward with its case. Evans pressed hard to reassure the concerned parties that Australia was not aiming to establish a new institutional structure and that the multilateral security dialogue would not be in any way contradictory to the existing alliance networks involving USA. The importance of ASEAN was also pointed out by Evans who affirmed the centrality of the association as the most appropriate mechanism in any evolving security dialogue in the region. In any case, Australia toned down its regional security agenda to make it more modest and

acceptable by reaffirming the necessity of a multilateral security dialogue but only in an informal way. Eventually, the inclusion of security issues in the ASEAN PMC in 1992, followed by the development of ASEAN Regional Forum (ARF) two years later, vindicated Australia's efforts made during the preceding years. Even though Australian proposal for CSCA could not materialize, a broader mechanism in the form of ARF, as a platform for informal consultation on regional political and security issues nevertheless dismissed Australian fears from being excluded from any emerging Asian security system. As far as ASEAN was concerned, it was more favorable towards the new forum as it accorded the organization a special place. However, member states such as Indonesia insisted on keeping the discussions at a more general level, remained cautious against making it too institutionalized, and sought to keep at bay discussions on sensitive security issues. This caution was exemplified in the 2nd ARF meeting in 1995, which stipulated that meetings in the forum will be held keeping in mind the norms of ASEAN, with consultation and consensus remaining at the heart of decision making without recourse to voting (Pitty 2003: 70). This restrained and minimalist approach meant that sensitive yet critical security issues were generally kept out of the agenda for discussion in the forum. This outcome was not something which Australia wanted as it always wanted to see ARF to be more than just getting to know exercise where substantive discussions on key and specific security issues can take place.

While there had been considerable progress towards the development of multilateral security institutions centered on the Southeast Asian region, its cautious and slow pace of development meant that Australia has to focus on developing substantive bilateral relations with the member states. As a matter of fact, the 1992 strategic review by the Department of Defense continued to lay stress on the need to 'strengthen bilateral cooperation with the Southeast Asian nations' for the promotion of regional stability (Commonwealth of Australia 1993: 23). FDPA continued to be an essential mechanism through which Australia pursued defense cooperation with regional states such as Singapore and Malaysia. However, and in continuation with earlier outlook, the strategic review accorded the highest priority to Indonesia as 'Australia's most important neighbor' whose 'commitment to regional stability and security coincides with Australia's interest (Commonwealth of Australia 1993: 12). Even Keating laid utmost

priority in maintaining a stable bilateral relationship with its northern neighbor. A series of overseas visit and the whole hearted embracement of Suharto's new order epitomized the importance Keating accorded to Indonesia. All these provided the context for the Agreement on Maintaining Security (AMS) signed between the two countries in 1995 – the first such bilateral agreement that Australia signed with an Asian country. The agreement committed the countries to undertake regular consultation about 'matters affecting their common security', to develop cooperation 'as would benefit their own security and their own region' and promote 'mutually beneficial cooperative activities in the security field' (Commonwealth of Australia 1995). Besides symbolizing the progress that had been made by both countries over the years to substantially develop their bilateral relations, the agreement also was an accreditation of Australia's position as a substantial player in the region. For the Keating government, the close Australia-Indonesia relationship not only contributes towards regional stability, it also works as an avenue for the development of Asia Pacific regionalism (McDougall 2001: 86).

John Howard and the Contradictions on Australian Identity

Even as Australia was making an attempt to engage with the region, it also brought to fore certain contradictions between the country's comprehensive regional engagement rhetoric and its consolidation among the Australian public at large. Writing in 1996, Samuel Huntington (1996: 151-54) argued that Australia was actually turning into a 'torn country' by disengaging itself from west and moving into the Asian sphere and such straddling between the civilization divide could bring tensions and conflict. Labor protagonists were to refute such statements arguing that it is in the Asia-Pacific where Australia's future lies and the country could only benefit from the integration of its economy with the rising economies of Asia. Consequently, through themes of comprehensive engagement and cooperative security, Keating and Evans would enthusiastically point out Australia's shift towards Asia of a kind that would mark a historic transformation of the country's identity and place in the world. For Keating, this transformation was rooted in his notion of the 'big picture', and regional integration was the means of achieving the same. However a substantial part of Australian public could not associate themselves with such grand assertions and promotion of a change in

Australian identity produced uneasiness and eventual backlash among the domestic population who still perceived themselves as belonging to a country which has strong western orientations. As Darlample (1997: 245) notes, those promoting domestic acceptance of changing Australian priorities, attitudes and policies, made extravagant pronouncements such as of a Asianisation revolution sweeping across the country. But most Australians did not associate themselves with such transformation rhetoric as well as the distancing of their country from its western heritage. Along with economic factors this also proved to a major catalyst behind the sweeping victory of the Liberal National Coalition in 1996 under the Prime Ministership of John Howard.

The liberal national coalition pursued a vigorous pronouncement drive to resolve this contradiction regarding Australia's identity even as it maintained a degree of bipartisanism on key foreign policy issues including that of engaging with Asia. Since taking up the portpholio of the Minister of Foreign Affairs, Alexander Downer's first formal trip was to the Southeast Asian countries of Indonesia, Singapore and Thailand. Prior to his visit, in an address to the Foreign Correspondents' Association in Sydney in April 1996, Downer (1996b) proclaimed that 'closer engagement with Asia is the government's highest Foreign Policy priority' and that Australia 'embraces the region not only because they are our neighbors, but because we number them among our friends'. The coalition government also made an effort to avoid being seen as a recluse and break the labor party's claim to monopoly in the Asian engagement process. Downer pointed out the contribution of liberal leaders from Menzies to Spender, Casey and Frazer in arguing that Australia's regional engagement process is not a post-cold war development but has a rich history and that 'no side of Australian politics owns the Asian vision' (ibid). More specifically, the minister also reiterated the statement by his former colleague and foreign minister Richard Casey that 'Australia's own special role lies in Southeast Asia' and the country's foreign policy is largely if not exclusively concerned with that region (ibid).

However the aspect where the Howard government attempted to differentiate themselves from their Labor predecessors was over the form of regional engagement. Even while in opposition, the coalition party was critical of the labor party in general and Keating in particular for his obsession with Asia which they claimed had damaged the

country's international reputation. After coming to power, the government was forthright in its claim that the policy of 'Asia First' does not mean 'Asia Only', that Australia has 'global interest' and 'does not need to give priority to the region at the expense of interest elsewhere' (ibid 1996). In a television interview with ABC in 1999, Howard (1999a) would turn back to the situation prevailing in Australia when he became the Prime Minister where Asia obsession would position Australia as an 'anxious outsider' trying to be a part of Asia while ignoring its interest elsewhere. In an effort to differentiate itself from the labor's rhetoric of transforming Australian identity to fit in with Asia, the coalition would assert that while developing regional relationships are important, it should not be at the cost of compromising the country's distinct national identity, tradition and culture. In a Canberra address in 1996, Howard (1996c) pointed out that,

> We do not need, as a nation, need to turn ourselves into something we are not in order to be confident of our place in the region. We do not have to pass tests set by others any more than we should be setting tests for others to pass….Australia has so much to offer in our people, our distinct national identity, our natural resources, our skills, our technological innovativeness and our political and social stability…. The people from Asia who have settled in Australia have come here because of the sort of country we are.

The new government also expressed concern of the fact that the labor's predilection towards Asia gave an impression of Australia distancing itself from its traditional allies particularly USA. In an attempt to reinvigorate the alliance with the latter, the new government highlighted the strong historical and cultural roots of the relationship as well as the mutual interest of both countries in ensuring growth and stability in the Asia Pacific. And instead of inclining towards one region at the cost of another, which the coalition claimed labor has done, the government was forthright in asserting that Australia's relations with the United States are complementary with that of the region. John Howard (1996a), in a speech at Jakarta, highlighted this complementariness when he pointed out:

> I do not believe that Australia faces a choice between our history and our geography - between our links with European and North American societies on the one hand and those with the nations of Asia on the other.

Neither do I see it as a matter of balancing our interests in Asia against or with our interests in the rest of the world. Neither do I see Australia as a bridge between Asia and the West as is sometimes suggested. Rather I believe that our geography and history are elements in an integrated relationship with our region and the wider world. Our links with Asia add something to our links with the rest of the world, and vice versa. For example, our close association and alliance relationship with the United States contribute to the prosperity and stability of the region.

The government also did not share Keating's grand assertions and 'big picture' designs, which Howard claimed belongs to the 'black arm band school of history', wherein the previous government attempted to distort Australia's past in order to gain acceptance in the Southeast Asian region. In contrast, Howard described his government's position as that of a realist, with a conception of foreign policy solely driven by the pursuit of Australia's national interest. The government's first White Paper published in 1997 would outline this position by claiming that,

Preparing for the future is not a matter of grand constructs. It is about the hard-headed pursuit of the interests which lie at the core of foreign and trade policy: the security of the nation and the jobs and standard of living of the Australian people. In all that it does in the field of foreign and trade policy, the Government will apply this basic test of national interest.

(Commonwealth of Australia 1997: 3)

Termed as a 'framework document', the White Paper reflected noticeable shifts in Australia's overall foreign policy as well as its perceptions and approach towards the Southeast Asian region. The title of the paper itself was symbolic of the coalition government's opposition towards, what they call labor's grand constructs and idealism, and instead laid emphasis on a pragmatic approach to foreign policy on the basis of national interest. This turn was emblematic of fact that Howard, Downer and Deputy Prime Minister Tim Fisher were by character and conviction realist who were rather uneasy with liberal internationalist ideas and strategies (Trood 1998: 190).

Bilateralism and the Rejection of the 'Middle Power' Thesis

One major shift evident of the Liberal National Coalition was its general skepticism towards multilateralism which was such a distinctive feature of the previous labor government. While the coalition government maintained a degree of bipartisanism by committing to 'contribute actively' to the development of still nascent APEC and ARF, it also was doubtful towards the efficacy of such institutions in achieving their desired objective (Commonwealth of Australia 1996). As the 1997 White paper stated:

> Australia must be realistic about what the multilateral system can achieve. The twentieth century has been both the incubator and the graveyard of a long list of initiatives for international cooperation. In most cases their failure reflected an inability to recognize that international organizations can only accomplish what their members states are prepared to enable them to accomplish. All too often international initiatives have failed to match aspirations with capability.
>
> (Commonwealth of Australia 1997: 45)

Consequently, the Howard government maintained that it will put greater emphasis on bilateralism to advance Australia's national interest with a more 'selective' involvement in multilateral issues. While the government did not regard bilateralism as alternative to regional and global efforts, it did put strong bilateral relationships in a much higher pedestal claiming it to form the 'basic building block of the government's foreign and trade policy strategies' (Commonwealth of Australia 1997f: 53). Strengthening bilateral relationships also formed the core of Australia's regional engagement policy. While being critical of the previous government for too much emphasis on multilateralism to the extent of neglecting the development of strong bilateral ties, Downer (1996b) pointed out that 'in developing Australia's national interest in a realistic way, the government will be placing greater emphasis in strengthening key bilateral relationship throughout the region'. In fact, the government held the view that strong bilateral relationships is a necessary prerequisite for success of multilateral institutions as their accomplishments invariably depends upon the extent to what the member wants it to accomplish.

Of all the bilateral relationships in the Southeast Asian region, Indonesia received maximum preference. Considering the importance Labor governments, especially that of Keating, gave to Australia –Indonesia relations, the Howard governments approach

towards its northern neighbor was essentially bipartisan. Howard categorized Australia's links with Indonesia, along with that of China, Japan and Korea as collectively forming the 'building blocks of Australia's engagement in the region' (Commonwealth of Australia 1996: 4). Downer also espoused the same in his 1996, speech when he asserted that Australia's relationship with Indonesia will 'continue to be of growing importance' and as Indonesia's regional influence grows, the government will be 'working hard further to strengthening the relationship' (Downer 1996b). Both Howard and Downer underlined the coalition's support of the Agreement on Maintaining Security (AMS) concluded between Keating and Suharto in 1995 recognizing it as an important mechanism in promoting regional stability. However the government did steer clear of elevating the Australia-Indonesia relations into a kind of 'special relationship' – a phrase the predecessor labor government frequently used to characterize the bilateral relationship. In an address in 1999, following Australia's pivotal role in East Timor's independence from Indonesia, Downer (1999b) indicated that the government have 'abandoned' the notion of Australia having any kind of 'special relationships' with any country, as such relationships 'may constrain policy choices and acts against our interest'. Though not mentioned explicitly, Indonesia was the obvious focus of Downer's speech, as the foreign minister took a dig at the Keating government for going out of the way in constructing ties with Indonesia. Rather, he claimed that Australia will unequivocally put forward where its interest lays, be open and honest about the differences and work to resolve them rather than pretend that 'some magical chemistry can substitute for national interest' (ibid 1999).

As a bi-product of its general skepticism towards multilateralism, the government also rejected the notions of Australia's middle power diplomacy that is rooted on the multilateral approach. The coalition's refusal to characterize Australia as a 'middle power' marks a dramatic break from a long established tradition of labor diplomacy which perceived Australia as an active middle power which could play a constructive role in post cold war international politics. Rather, the government proclaimed that Australia was much more than a middle power. Downer (1996: 3), for instance, used the notion of 'pivotal power' to describe Australia's position stating that:

To say Australia is a middle power implies we are merely similar to a multitude of other countries, a mediocre power defined only by the size of our population. Worse, it suggests we are helplessly wedged between big and small powers with very little role to play. This sells us short and overlooks the rich potential that Australia has to play a vital role in the world […] I do not accept Australia as merely a middle power. Rather, I believe Australia is a 'pivotal' power.

Downer repeated this assertion when he pointed out to Australia's economic dynamism to negate the effects of the Asian financial crisis of 1997 as most of the regional states were engulfed by it. It's a falsity, the Foreign Minister (1999b) argued, to say that Australia was 'only' a small or middle power – a country with the 14th largest GDP in the world and having a defense force up to date with the latest technological advances on the battle field. As an antithesis of multilateral middle power diplomacy, the government rather prioritized practical bilateralism which was to be the new cornerstone of Australia's dealings with the region.

Factors Challenging Engagement: Hansonism, Financial crisis and Concerns of Exclusive Regionalism

Notwithstanding such rhetorical differences over Australia's identity and power position, the Howard government did project itself as giving prime importance to the region. The government did attempt to reinvigorate Australia's alliance relations with USA which they claimed was not given due importance by the previous labor government, but as far as the region was concerned it still was earmarked as Australia's first foreign policy priority. However within the first few years of the Coalition government, Australia got embroiled in developments within the country as well in Southeast Asia which challenged the established notions of the foreign policy community. These developments also threatened to push back Australia's regional engagement policy at the social, economic and strategic level.

The entire conception of regional engagement was rooted in the advocacy of Australia's transformation from a racists' European outpost to a multicultural nation based on the ethos of tolerance and diversity. Such advocacy was challenged within a few months of the tenure of Howard government, when a debate on race and Hansonism

sought to impede the previous works done to establish Australia as genuinely committed towards the region. Resurrecting some old stereotypes about Australia's racist identity Pauline Hanson, A Member of Parliament representing Oxley, in her maiden speech at the House of Representatives in September 1996 pointed, out that with 40% of all migrants coming to Australia in the past decade being Asian, Australia is in 'danger of being swamped' by them (The Sydney Morning Herald 2016). Consequently, she proposed for a radical review of the country's immigration policy and abolition of the principle of multiculturalism as presently the country is experiencing a kind of 'reverse racism' that works for the benefit of aboriginals at the cost of the welfare of Australian people. Her comments and the rising popularity of the One Nation Party, which she founded in 1997, reflected a sense of antipathy towards Asian migrants among a section of people, at a time when the government was trying hard to establish Australia's credentials in the region[42]. The racist debates as well as sporadic incidents against Asians received considerable media attention in countries such as Singapore, Thailand and Malaysia. A perception was growing in the region about Australia as a racist country where random acts of racial vilification made the country unsafe for Asians to live or work (Trood 1997: 194)[43].

The Government's casual response didn't help its cause and Howard's cold shoulder towards the comments itself became an issue. Initially the Prime Minister sought to overlook the remarks as a victory of 'free speech' over 'political correctness' and claimed it inappropriate to react to Hanson lest it attracts sympathy for her cause[44]. This attracted a lot of criticism from the Labor opposition, the most systematic of which came from former Prime Minister Paul Keating, who through his defense of multiculturalism

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[42] Founded in 1997 by Pauline Hanson, the One Nation Party emerged as a right wing political party which advocated reduction of immigration, protection of Tariff and reinstate a traditional Australia based on Anglo-centric dominance. The party achieved its electoral peak in the 1998 when it surged into the Queensland polls in mid 1998 where it won 11 (23%) seats in Queensland state elections and later a senate seat at the Federal elections.

[43] One such incident which gained prominence was the alleged racist attack on Singaporean troops exercising in North Queensland. The issue was put up by opposition leader Laurie Brereton in the House of Representatives in October 1996 where he sought answer from Prime Minister Howard about the government responses towards the same.

[44] There was also a view that Howard's initial reluctance to take a strong stance against Hanson was due to his concerns of alienating the group which may have brought him electoral success in 1996. Theoretically this group consisted traditional conservative labor voters who were not satisfied with Labor's policies of liberalization and tariff protection.

strongly opposed Howard's passive stance. Referring to the event as 'one of the saddest development in recent times', Keating in fact pointed out the utility of an inclusive immigration for Australia's economic interest. He asserted that 'Australia can't retreat behind a white picket fence' and the government must take a lead in adopting a 'positive outward looking attitude to Asia' and publicize before the general public the benefits of immigration 'so that fear does not drive discussion out of it (Keating 1996). The fact that a bipartisan Parliamentary statement on racist tolerance had to be eventually passed was indicative of the government's understanding of the gravity of the situation and its potential to damage Australia's reputation in the region. Speaking in the motion, Howard attempted to regain his credentials by highlighting the contribution of the past liberal governments in making Australia a tolerant and inclusive society. Consequently, a bipartisan statement reaffirmed the commitment to maintain an 'immigration policy wholly non-discriminatory' and denounced 'racial tolerance in any form as incompatible to kind of society Australia is and want to be' (Commonwealth Parliamentary Debates 1996: 6155). A year later, Howard underwent for a more damage control exercise in his address to the Australia-Asia society, a considerable part of which was devoted to the Hanson issue. The Prime Minister maintained that while Hanson 'has a right to be heard', she has to have her 'accuracy accessed' and that all her assertions regarding the nation's danger from Asian immigrants are wholly misplaced (Howard 1997). Politically, the Hanson debate did not help Australia's projection as a multicultural nation and its attempt to engage with the region. At a broader level Hansonism also revealed what Higgot termed as the essential 'liminal' position of Australia created due to ambiguities of two divergent outlook – one which wants to enmesh the country deeper with Asia and the other who wants to return to an earlier location when engagement with Asia was limited (Higgot and Nossel 1997: 169).

Whether and to what extent the Hanson debate and its negative publicity in the region affected Australia's general economic interest in Southeast Asia can't be precisely gauged as by mid 1997 the region itself was embroiled in the Asian financial crisis. The crisis and its political and social repercussions in the region also constituted a test for Australia's regional engagement policy in the later half of the 90's. The financial turmoil undermined the notion of a prosperous regional economic model which constituted a

single most important rationale for Australia's attempt to engage with the region. Since 1980's, successive governments in Australia have projected the miraculous economic growth of the East Asian Region as an area of opportunity which needs to be tapped for the prosperity of the nation. This view persisted when the liberal coalition government came to power. The 1997 White Paper pointed out that the 'two most profound influences on Australia's foreign and trade policy will be globalization and the continued economic rise of East Asia' (Commonwealth of Australia 1997: v). The regional growth trajectory did not turned out to be as Australia predicted as by the end of the same year most of the major Southeast Asian economies were engulfed by the crisis, with Thailand and Indonesia being the worst hit. Far from emulating the East Asian economic model for its national prosperity, Australia consequently was involved in rescuing the regional economies from the crisis. Australia contributed $A1.3 billion to Thailand followed by $A1 billion to Indonesia as loan to assist in their bailout (Trood 1998: 191). The government projected Australia assistance as demonstrating its commitment to the region as an 'all weather' rather than a 'fair weather friend' (Downer 1998d). In fact this notion of 'all weather friend' was used by Foreign minister Downer in a number of speeches to underscore the sincerity of Australia's engagement efforts with the region even during the latter's time of crisis.

However, despite numerous assertions of regional commitment, a sense of ambivalence was also evident in Australia's policy during the crisis. As Wesley (2002: 301-24) pointed out, while Australia was prompt to offer economic assistance, it also did not held back its sense of pride towards the robustness of the Australia's social and economic system, which according to the government, enabled the country to remain immune from the crisis. Indeed Downer would state that 'many of the factors contributing to the crisis were shown to derive from failures in the systems of governance', in contrast to Australia's strength in civil, political and economic institutions which makes the country 'uniquely placed in the region' not only to overcome the crisis but also to 'ride the crest of wave of economic resurgence that will inevitably come to the region (Downer 1998e; 1999b). Similarly Howard (1999b), in a speech in 1999, – at a time when the regional economies were undergoing a recovery process – emphatically stated that 'the story of Australia is the story of immense achievement of great strength and enormous

pride' and at no time did the country 'stood taller and stronger in the chances of the world than it does at the present times'. That is why, the government asserted, 'as the region entered its worst economic crisis, Australia went from strength to strength' and with its recourse and knowledge the country could 'put our neighbors back to the path of recovery' (Downer 1999b). Such show of triumphalism and tutorial role was not well received by many the region especially Malaysia. The Malaysian Prime Minister, in fact, ascribed the regional crisis to the adoption of western ideas and principles and propagated the development of an all Asian institutional structures to the exclusion of western countries like Australia. Even Australia's assertion of all weather friendship was ambivalent as the country showed that such benevolence is conditioned upon the presence of 'fair weather at home' (Smith 1999: 196). For instance, when Australia itself was caught up in the crisis and speculations devalued the Australian dollar, Treasurer Peter Costello excluded Australia as a part of the region to maintain the level of investments in the country (Smith 1999: 196). Such proclamations raised doubts about the seriousness of Australia's regional engagement.

Another impact of the financial crisis was the impetus it provided to the development of a pan Asian regional consciousness which left Australia to the outer. The institutional manifestation of this happened to be the emergence of ASEAN +3 (APT) process linking ASEAN with three Northeast Asian countries - China, Japan and South Korea. The formation of APT had its roots in another inter-regional arrangement in the form of Asia-Europe Meeting (ASEM) linking Asia and Europe wherein China, Japan and South Korea were asked to join ASEAN as Asian representatives. Incidentally, the very first meeting of APT in 1997 coincided with the Asian financial crisis and it gave a real impetus to institutionalizing the new arrangement as an all Asian grouping to provide regional solutions to regional problems. This was particularly significant in light of the failure of major regional groupings like APEC and ASEAN to produce anything of substance to deal with the crisis.

At a much deeper level, the emergence APT was a manifestation of form of regionalism which is exclusive is nature and rooted on cultural foundations which stands in contradiction to a more inclusive economic regionalism as favored by Australia. In Asia, competing vision of regionalism has taken shape depending upon the rationale and

proposer's outlook. Australia always promoted a form of regionalism which is inclusive, functional and based on economic and geographic criteria, to enable its own inclusion in any future regional arrangements. Its promotion of APEC was also based on the same grounds – as an inclusive body whose membership extends to countries across Asia and Pacific and the institutional gateway to Australia's prosperity through the enmeshment with the rising economies of East Asia. In fact, through the Bogar declaration, APEC was emerging not just as an organizational attempt to facilitate trade liberation but a possible embodiment of a new vision of Pacific Century through a synthesis between the east and the west (Berger 1999: 1017). Even Howard expressed his distinct preference for 'practical' over 'cultural' regionalism, where 'countries are bound together by geography and find practical ways of working together to achieve their mutual objectives' (Commonwealth of Australia 2000). Consequently, the Prime Minister saw institutions like APEC, ARF, ASEAN PMC and AFTA-CER as a manifestation of Australia's practical regionalism.

However, not everyone in the region concurred with Australia's visions of inclusive regionalism. One prominent objection to practical regionalism came from cultural regionalist, who prefers internal cohesion and homogeneity over functionalism and views the former as a vital element to the prospect of regional bloc playing a coherent international role (Wesley 1997: 526). One foremost proponent of cultural regionalism happened to be Malaysian Prime Minister Dr. Maharthir Mohammad, who repeatedly emphasized on the essential difference between the 'Asian' and 'western' values and sought Australia's exclusion from all Asian groupings because of its cultural difference as a western affiliate. Just days prior to the Liberal coalition government taking office, Australia's inclusive regional diplomacy was derailed by Malaysia by refusing to include Australia in the Asian side of ASEAN Europe Summit (ASEM). Rejecting Australia's geographic criteria of regionalism, Maharthir stated that 'it is difficult to define Australia as an East Asian nation' and that 'deepening of consensus and unity needs to precede the broadening of membership'.

Australia's exclusion from ASEM gave a serious blow to the country's engagement policy through inclusion in the emerging institutional structures in the region. And it was not helped by the fact that APEC, which embodies Australia's

definition of inclusive regionalism, was wholly ineffective in face of the regional crisis which in a way ignited demands for more exclusive regionalism. In fact, the failure of the Early Voluntary Sectoral Liberalization (EVSL) scheme was testimony of the inherent contradictions between Australia's attempt in elevating trade liberalization and the distrust, particularly with the onset of the financial crisis, among some of the regional states of the unregulated global financial system resulting in considerable regional sensitivity towards further liberalization. With the failure of APEC to produce anything of substance to mitigate the crisis, it was the IMF who took upon the lead role to bring back some sort of financial stability in the region.

However not all ASEAN member-states were in agreement with IMF diagnosis and prescriptions of the crisis. In fact, IMF's policy response to the financial crisis fuelled, in the words of Higgot (1998: 333-56), a 'politics of resentment' in the region driven by a consensus that the IMF's and other western states' reading of the crisis was essentially flawed and therefore its prescriptions only worsened the situation. This general suspicion towards the west passed on to Australia as there emerged a considerable distrust towards the country as a western outpost prescribing liberal solutions without comprehending to the regional sensitivities. These apprehensions towards western solutions, coupled with the ineffectiveness of the existing institutional mechanisms in face of the crisis, opened up political space for the evolution of the ASEAN+3 process. Institutionalized in 1999, the APT was almost a reformulation of the EAEC concept first mooted by Mahathir in 1990.

One of the biggest challenges of the Liberal coalition government was how best to respond to the APT which, they reckoned, could be the preeminent regional institution involving ASEAN. Consisting only the east and Southeast Asian nations, the APT was an institutional manifestation of exclusive Asian regionalism that leaves Australia to the outer. The only thing Australia could do was to welcome the process and sought to be a part of the grouping in the near future pronouncing that 'if invited to participate we will do so' (Albinski 2000b: 551). Australia responded to the APT by continuing to emphasize on the utility of inclusive regionalism even with the APT process which, the country pointed out, would reinforce East Asia's external links with USA, Canada, Australia, New Zealand and Western Europe.

If the formation of APT hampered Australia's engagement institutionally, the failure of the AFTA-CER only exacerbated the process. Similar apprehensions towards liberalization prevented the AFTA-CER to get off the ground. Even though Tim Fisher, Deputy Prime Minister and Australian Representative of a task force set up in 1999, spoke about the feasibility as well as necessity of the AFTA-CER, Malaysia, Indonesia and Philippines were not very enthusiastic about the plan. The expected Malaysian veto to the proposal was a reflection of the prickly state of bilateral relationship while other ASEAN nations remained 'laggard liberalizers even within AFTA' (Goldsworthy 2001:228), reluctant to reduce their tariffs. As the AFTA-CER was replaced by a Comprehensive Economic Partnership (CEP), Fisher realistically assessed that 'AFTA-CER idea was never going to fly immediately' but remained hopeful in the future (Kelly 2000).

Challenge to Bilateralism

Generally speaking, for the liberal coalition government, the financial crisis and its institutional after effects in the form of APT posed a considerable challenge to the country's engagement policy with ASEAN countries. If Malaysia's persistent refusal to perceive Australia to be a part of the region acted as a barrier in Australia's regional engagement process, the state of Australia – Indonesia relations by the end of the 1990's only accentuated the problem. Since mid 80's, and particularly evident during the formation of APEC, it was Australia's close affinity with Indonesia which provided the balance against Malaysia's resistance, also helped by the prickly relations the two ASEAN giants had among themselves. However, events in East Timor and Australia's role in it generated considerable bitterness in Indonesia and shook the foundations of their bilateral relationship.

After coming to power, the liberal coalition government showed an avowed preference for 'practical bilateralism' and abandoned any notion of 'special relationship' as a way of denouncing their Labor predecessor for its grand utopian constructs in foreign policy including that of relations with Indonesia. Nevertheless, the substance of the coalition's policy towards their nearest neighbor remained essentially bipartisan. In fact, for a long time Australia's Indonesia policy diverged very little from the lines laid down

by Whitlam in the 1970's (Firth 2005: 93). It was underpinned by a fine balance between Australia's support for Suharto regime and its sovereignty over East Timor while at the same time being sympathetic to the East Timorese concerns through development aid with consent of Indonesian authorities. However, the financial crisis of 1997 was to have serious political repercussions for Indonesia as evident with the collapse of the New Order Regime following Suharto's forced resignation in 1998. In an atmosphere of rapid political transformation, the demands for the independence of East Timor also intensified as a level of unity and maturity started getting developed among the pro-independent east Timorese (Leaver and Kelton 1999: 251). Australia's policy shift took place with this strengthening of East Timorese leader's attitude towards independence - as evident by their rejection of Habibie's proposal of granting ET a special status even within the sovereignty of Indonesia - which was also bolstered by growing international support for the East Timorese cause. In a well publicized letter to the Indonesian president on December 1998, Howard would expound Australia's position proposing an 'act of self determination' for ET 'in a manner which avoids an early and final decision on the future state of the province with a build in review mechanism along the lines of the Matignon Accord' (Connery 2010:182) [45]. Even at that time Australia would have preferred ET remaining part of Indonesia but the very fact that the letter proposed for a future self determination act marked, what Downer (1999a) would term, as a 'historic policy shift' from the days when Australia regarded Indonesia's incorporation of East Timor as an irreversible process. Australia's position for a delayed self-determination act was to avoid the fateful consequences of what it thought could be a premature independence vote for ET. However this was precisely what happened when Habibie, partially to Howard's proposal, agreed to a referendum of East Timor but to be held immediately and not after a prolong autonomy period. Subsequently, Australia provided substantial financial and personnel support for United Nations Mission in East Timor (UNAMET) to oversee the referendum process held on August 1999 where more than 78% Timorese voted for independence from Indonesia (Goldsworthy 2001: 231).

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[45] Howard's proposal for a self determination of East Timor years into the future was based on a similar mechanism undertaken for the French territory of New Caledonia under the Noumea Accord of 1998 which gave certain political power to New Caledonia until a referendum date set between 2014-18.

Australia's attitude towards Indonesia hardened following the post referendum violence unleashed against the East Timorese and UNAMET by the pro-integrationist militia. Australia was critical of Indonesia for failing in its responsibility of maintaining internal security during the transition period which it so adamantly kept upon itself, and quickened diplomatic efforts to insert a multilateral peace keeping force in ET. Howard justified the intervention on humanitarian grounds to safeguard the human rights of the oppressed East Timorese whose plight had been overlooked by the international community for a number of years (Gurry 2001:7). Consequently, the UN sanctioned International Force in East Timor (INTERFET) entered ET territory on September 1999 – which Indonesia permitted under a lot of duress – with Australia contributing about 6,000 troops and Major General Peter Cosgrove as Commander (Goldsworthy 2003: 223).

The events in ET and Australia's intervention in the same rapidly deteriorated the bilateral relationship. The Howard government in its part projected the ET issue as an obstruction to a stable relationship between the two nations in a long run. Therefore the intervention was not only necessary from a humanitarian point of view but also provided an opportunity to both countries to move on from an essentially 'lop sided situation' towards one where both sides could resolve past tensions and have a 'more balanced and stable relationship' (Downer 1999b). Not only that, the coalition even projected Australia's role in solving the East Timor crisis as a testimony of Australia's commitment and coalition building capacity with regional partners to make a practical contribution to regional security (Commonwealth Parliamentary Debates 1999: 11025).

However, contrary to Australia's expectations, its role in ET was viewed by Indonesia with considerable resentment and suspicion. Australia's policy shift, from irreversibility of Indonesian occupation of ET to proposing a referendum and subsequent military role in INTERFET, was seen in official Indonesian circles as a case of Australia's betrayal, a violation of Indonesian sovereignty and affront to national dignity (Goldsworthy 2001: 229). Just days before INTERFET was to enter ET territory, Indonesia abrogated the AMS treaty, asserting that Australian attitude in deciding to stop military cooperation with Indonesia has undermined the bilateral relationship (Pitty 2003:

77)[46]. Indonesian officials saw Australia as the principle reason behind Indonesia's international criticism as well as the formation of UNAMET and increasingly came to view the mission as biased towards the pro-integrationist side of ET. Habibie, in an address to the Indonesian Parliament two days after INTERFET entered ET, accused Australia of over reacting to the events and causing deterioration of the bilateral relationship (Baker 1999: 84). An anti-Australian sentiment ran across whole Indonesia which saw Australia's ET policy not in isolation but as a broader Australian design to further destabilize and fragment Indonesia by exploiting the separatist movements going on in territories of Aceh, Irian Jaya and West Papua. In an attempt to assuage such fears, the government constantly stated Australia's position of univocally supporting the sovereignty and territorial integrity of Indonesia pointing out the different historical circumstances of ET and other dissident provinces that warranted Australia's intervention in the former (Downer 2000c). Yet Jakarta remained suspicious should Australia change its stance as it did with the case of ET.

Australia's handling of the ET situation also generated considerable condemnation at home and in the region. Critics at home viewed Australia's ET policy as a failure of the country's strategy which generated a triumphalist attitude of Australia thus alienating the country from the region (Fritgerald 1999; Sheridan 2000). The strongest one came from former Labor Prime Minister Keating, who viewed Australia's role in ET as the 'worst foreign policy disaster since the Vietnam war' and held Howard responsible for atrocities committed in ET (Wright 1999). Kim Beasley and many other Labor MP's would however distance themselves from such radical comments even though the opposition leader continued to assert that the 'Howard government mishandled foreign policy surrounding East Timor' (Commonwealth of Australia 2000). Howard himself conceded that due to the events in ET the relationship between Australia and Indonesia is 'going through a difficult phase' and 'it is going to take a while' to rebuild the same' (Ibid 2000). This was not helped by the by an interview by Howard with the *Bulletin,* wherein he quoted as favoring the idea of Australia playing the role of a 'deputy sheriff' to the United States, taking the lead in stabilizing regional turmoil while

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[46] This was following Australia's suspension of military ties with Indonesia, after gross human rights atrocities towards ET post referendum by Indonesian Special Forces KOPASSUS, generated an intense public outrage in the country.

the US plays the role of lender of last resort (Wesley 2005:61). Characterized as the 'Howard Doctrine', this bore striking resemblance to forward defense concept of the Cold War days. Malaysian opposition leader Lim Kit Siang, in reaction to the Howard doctrine concept, attacked Howard for 'having done more than any previous Australian Prime Minister to damage Australia's relations with Asia since the White Australia Policy was abolished in 1960's' (Tenanbaum 1999). Overall there was a perception that the ET episode has the potential to undo all the good work undertaken by Australia to engage with the region. Its fall out with Indonesia is worrying not only because Indonesia represents Australia's gateway to engage with the Southeast Asian region but also because Indonesia's support is crucial in light of the already strained relations Australia has with Malaysia.

Conclusion

The liberal coalition government of John Howard came to power replacing a labor government which claimed considerable success in engaging with Southeast Asia chiefly through its comprehensive engagement policy. Geo-political and strategic environment no doubt prioritized Australia's engagement with the Southeast Asian Region, but Howard intended to pursue its engagement policy in a manner which would seem different from the one adopted by the predecessor government. Thus, while the government prioritized Asia, it claimed to do so not by compromising it's all essential alliance relationship with USA, which the government claimed was neglected by the predecessor government amidst their 'Asia only' policy. The Howard government also expressed considerable skepticism over the use of the 'middle power' tag to describe Australia position in the region and in the wider world. Rather, the government expressed a preference towards bilateralism that would be the basic building bloc as well the primary avenue of its regional engagement policy. Within the region, some bilateral relationships like with that with Indonesia and Malaysia continued to be critical for Australia and both relationships underwent rapid changes during the Howard term. The next two chapters will analyze Australia policy of economic and strategic engagement towards Southeast Asia during Howard's term within the context of the government's policy prescriptions.

Chapter – 4

Australia's Economic Engagement with Southeast Asia

As seen in the preceding chapter, one of the most distinct elements of Australia's foreign policy of John Howard's coalition government was its emphasis on bilateralism. Nowhere was this bilateral emphasis more explicit than in the government's attempt to economically engage with the countries of Southeast Asia through negotiations of bilateral Free Trade Agreements (FTA's). This chapter will analyze the advocacy of bilateralism in Australia's economic engagement with Southeast Asia. The first part of the chapter will start with an historical overview of Australia's economic relations with the region till the liberal coalition of John Howard came to power. The second part will examine the continuities and change in Australia economic engagement policy towards Southeast Asia. The final part of the chapter will focus on the reasons behind the bilateral advocacy of John Howard and examine the FTA's as a mode of engagement with Southeast Asia.

Regional Economic Integration in Southeast Asia

In Southeast Asia, the process of regional integration took nascent shape after the formation of ASEAN in 1967. At the time of its founding though, promotion of intra-regional economic and market integration among the Southeast Asian countries were not one of its agendas. In fact, the formation of ASEAN was primarily motivated by the fear of communism engulfing the region and the organization sought to preserve the independence of the member states and stabilize the region so that disputes among them do not take the shape of major conflicts. Nevertheless, the founders were careful not to explicitly highlight the security rationale for ASEAN lest it is conceived as a defense alliance. Therefore economic and developmental agenda were included in the principles of the organization not only to ally suspicions but also out of conviction that economic development was a necessary condition for regional peace and stability (Severino 2006: 212).

The ASEAN declaration of 8 August 1967 laid down the principle aims and purposes of the organization, the economic aspect of which was to 'accelerate the economic growth' so as to lay the foundation for a 'prosperous and peaceful community of South-East Asian Nations' (ASEAN Secretariat 2014a). More specifically, the declaration called upon the members states to 'collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade…..' (Ibid 2014). As mentioned earlier, the focus of the declaration was on the expansion of general trade and particularly 'international community trade' rather than trade and integration among the regional states. This was a reflection of the economic realities during the time where the export markets for most of the ASEAN member states were the developed world rather than the co-members of the association where there was little demand for ASEAN products (Severino 2006: 213)[47]. However as a consequence, the ASEAN countries had to face the volatility of the international market which hit their export as well as increased the price of manufactured imports. It was felt that this dependence on commodity trade to developed country markets should be reduced by encouraging economic cooperation among the ASEAN members. This would also enable the development of a regional market particularly for essential commodities.

Widjojo Nitisastro, Indonesia's Minister of State for Economic, Financial and Industrial Affairs took the initiative in organizing a gathering of economic ministers of ASEAN member states which took place in Jakarta in Nov 1975. Labeled as the meeting of the ASEAN economic and planning ministers, the meeting adopted the Declaration of the ASEAN Concord which was moved in the inaugural ASEAN summit three months later in February 1976. The concord adopted a programme of action which included cooperation among the member states in the production and supply of 'basic commodities particularly food and energy' as well as to 'establish large scale ASEAN industrial plants' to meet regional requirements of such essential commodities (ASEAN Secretariat 2014b). More importantly, the concord called for cooperation in trade and 'progress towards the

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[47] The only exception to this case was Thai rice which was in demand in ASEAN market. Other than that, most of the products where ASEAN states were significant exporters such as palm oil, natural rubber, tin, copra, coconut oil, agricultural products primarily rice, forestry products had markets outside ASEAN (Severino 2006: 2013).

establishment of preferential trading arrangement as a long term objective' (ibid). In accordance with the objectives of the concord, the ASEAN preferential trading arrangements were signed in Manila on 1977 covering 'basic commodities particularly rice and crude oil; products of the ASEAN industrial projects and products of the expansion of intra-ASEAN trade' (ASEAN Secretariat 1977).

In addition to PTA, other arrangements were also initiated throughout the 1980's in order to give a boost to intra-ASEAN trade. In order to utilize the regional recourses for essential products, an agreement on ASEAN industrial projects (AIP) were signed in 1980. In 1981, the ASEAN Industrial Complementation Scheme was formalized wherein allocated industrial products for manufacture are to be traded amongst the ASEAN members. In 1983, the ASEAN Industrial Joint Venture agreement (AIJV) was signed under which the products of this venture were to have a 50% tariff reduction for participating ASEAN members which was later increased to 90% in the revised agreement of 1987. In 1988, ASEAN entered into a brand-to brand complementation arrangement exclusively for automotive industry which provided for a 50% tariff preference for automotive parts traded among approved ASEAN participants. In 1991 the scope of the complementation scheme was expanded to include non-automotive items as well.

All these agreements however failed to achieve its desired goal of bolstering intra-ASEAN trade as the motives of the agreements and actual practice diverged a great deal. As Severino (2006: 221) pointed out, 'ASEAN cooperation in the earlier years rested on two pillars – preferential trading arrangements and industrial complementation schemes – both of which collapsed under the weight of unreconciled national interests'. The real utility of PTA in intra-regional trade was marginal at best as the member states could exclude items of high trading potential from the preferential trading list and included only those which had nil or bare minimum trading value. Consequently PTA counted 2% and 5% of intra-ASEAN trade in 1980 and 1986 respectively (Pangestu et al. 1992: 335). Even with the case of AIP's, member states were more concerned with their own economic interest rather than regional market integration. They were reluctant to provide preferential treatment to products under the AIP scheme if it competed with similar product at home, in order to protect its domestic market. The same was the case with

AIJV's utility as a number of products found it difficult to obtain the 90% margin of tariff preference from some members, because of states' request for reciprocal treatment for one of their products not necessarily under the AIJV scheme (EAAU/DFAT 1994: 30). Severino (2006: 220; 222) summed up the situation with the following words:

> Up to the late 1980's, ASEAN economic cooperation was preoccupied with the usual developing-country concerns – access of commodity exports to developed country markets, the prices and competitiveness of those commodities, assured access of member-countries to critical needs like rice and crude oil, particularly in times of crisis, and an assured regional market for state-designated industrial projects, to be protected from competition. It was all about managed industrialization, commodity exports and stability of their prices, and economic "cooperation". Talk of regional economic integration was taboo….the Southeast Asian countries were extremely diverse ethnically and economically and were driven by largely conflicting national interests…whatever sense of region ASEAN countries had was at best inchoate'

The conclusion of the Cold War presented ASEAN with a fresh set of challenges. With the end of the east-west conflict the primary rationale for the foundation of ASEAN, the containment of communism, was no longer present thereby providing the organization with an excellent opportunity to end the stalemate in Cambodia. But on the other hand, it also raised questions on the future viability of ASEAN in an era of rapid economic changes. One such change was the transition of the erstwhile centrally planned economies of China, Vietnam and East European countries into market economies thereby cutting into the ASEAN's share of FDI. This was compounded by regionalism trends in major economic zones, through the establishment of MERCOSUR, EU and NAFTA, creating concerns of trade diversion away from ASEAN. It was felt that ASEAN would not be able to compete for market and investments unless its economies become more integrated (Severino 2006: 223). Consequently Thailand, under the initiative of its Prime Minister Anand Panyarachun, in a discussion paper proposed the formation of the ASEAN Free Trade Area (AFTA) to 'attract investment and increase industrial exports' and avoid the possibility of the association becoming 'insignificant' in economic negotiations in front of single integrated markets of EU and NAFTA (Severino 2006: 223). The proposal was approved in the Fourth ASEAN Summit in 1992, with

Singapore and Malaysia also giving its strong support for the initiative. The *Singapore Declaration* adopted in the summit called for the establishment of the 'ASEAN Free Trade Area using the Common Effective Preferential Tariff (CEPT) Scheme as the main mechanism within a time frame of 15 years beginning 1 January 1993' under which the signatories were required to drop tariffs in the range of 0-5 percent on intra-ASEAN trade (ASEAN Secretariat 2014d). The deadline was subsequently altered twice – first in 1995 when the time frame was advanced from 2008 to 2003 and again in 1998 when the deadline was advanced by another year to 2002[48]. The AFTA initiative while calling for a more comprehensive trade liberalization and regional economic integration marked a major departure from the past where such ideas were considered a taboo (Okamoto 2010: 175).

Australia's Trade Liberalization Initiative: The Formation of CER

Australia on its part had been pursuing trade liberalization initiatives in the pacific region with New Zealand since 1922, when the first trade agreement was signed between the two countries. In 1966, under the New Zealand Australia Free Trade Agreement (NAFTA), both nations eliminated 80% of tariffs by the late 1970's. However NAFTA couldn't advance further because it didn't have a binding mechanism to make the member states remove the residual restrictions. Being based on a positive list approach, it was rather difficult to expand the products coverage of NAFTA so as to make it more comprehensive (Okamoto 2010: 187). Australia, for instance, expressed concerned about the absence of a such binding mechanism for New Zealand to eliminate its import licensing restrictions which it felt was neutralizing the benefits incurring from the existing tariff restrictions (Commonwealth of Australia 1997). Accepting that the existing frameworks are not well equipped for comprehensive trade liberalization, a joint Prime Ministerial Communiqué introduced the term 'closer economic relations' between the two nations (ibid 1997). Consequently the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) or the CER came into effect from 1ˢᵗ January 1983 with objectives of developing close economic relations between the two nations

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[48] These time frames were applicable for the then members of ASEAN. For the Indo-Chinese states which joined the organization later, their tariff commitments were also extended by 10 years from the date of accession.

through the expansion of free trade, gradually eliminating barriers amicable to both nations and developing trade under conditions of fair competition (Commonwealth of Australia 1995: 4). Adopting a negative list approach, the CER targeted to establish comprehensive free trade between Australia and New Zealand on goods that meet the rules of origin by 1988 and then progressively liberalize and eliminate quantitative restrictions by 1995 (Okamoto 2010: 187). Three formal reviews were made on the original agreement in the year 1988, 1992 and 1995 after which subsequent reviews were undertaken in the annual Australia New Zealand Trade Ministers' meetings. The review process led to significant improvements in the original agreement, chief among which were the advancement of trans-Tasman tariff removal timeline from 1995 to 1990, inclusion of trade in services under CER agreement, alignment of quarantine procedures between the two countries and elimination of the residual regulatory impediments to trade (Commonwealth of Australia 1995: 7).

Overview of Australia – ASEAN Linkage

Australia's links with ASEAN dates back to 1974 when the country became ASEAN's inaugural dialogue partner and the first country to establish formal relations with ASEAN since its inception in 1967. The Australia–ASEAN dialogue had been initiated at two levels – one at the ASEAN Post Ministerial Conferences (PMC) at the level of ministers and the other at the ASEAN-Australia forum at the level of Director Generals of the Ministry of Foreign Affairs. Besides this, the ASEAN-Australia Economic Cooperation Program (later reformed as Australia ASEAN Development Cooperation Program) was initiated in 1974 under which Australia provided economic assistance to ASEAN projects. They also established a consultative meeting process in 1978 to promote discussions on trade issues.

For Australia relations with ASEAN have been a useful channel for and a highly visible manifestation of its engagement with Southeast Asia as a region (Severino 2006: 310). Since 1980's when Australia's reoriented its foreign economic policy to garner the economic and trade potential of the East Asian region, ASEAN became the primary focus. It was reflected in Gareth Evans Ministerial statement *Australia's Regional Security* which outlined the policy of 'comprehensive engagement' with Southeast Asia

having as one of its elements the need to 'support the major existing regional association ASEAN….which can contribute to the social and economic evolution of the region' (Commonwealth of Australia 1997: 6). The importance given to ASEAN is understandable as its share in total Australian export has more than doubled in the thirty years period since ASEAN's inception till mid 1990's (Ravenhill 1998: 270-71). However, while the increase in Australian export was in terms of absolute value, Australia's share in total ASEAN imports remained more or less static throughout, indicating that Australia did not utilize fully the economic opportunities that the region provided (see figure 1).   One area which yielded results though was in the creation of competitive manufacturing industries – an important rationale behind the reformation of domestic economy that Australia initiated since mid 1980's. Along with the rise in the share of manufactures in Australia's total export, ASEAN's share in Australia's manufacture export also steadfastly increased (see figure 2).

Figure 3. Export share of Australia and ASEAN in each other's trade
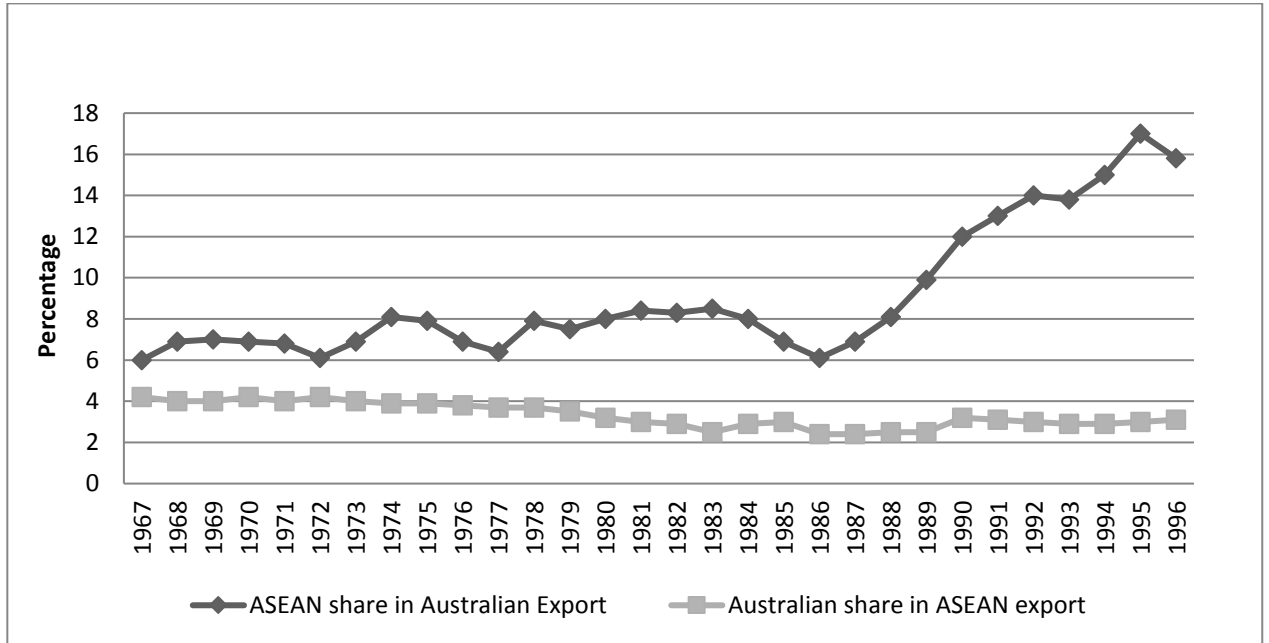
Source: John Ravenhill (1998: 270).

Figure 4: ASEAN share in Australia's Manufacturing Export
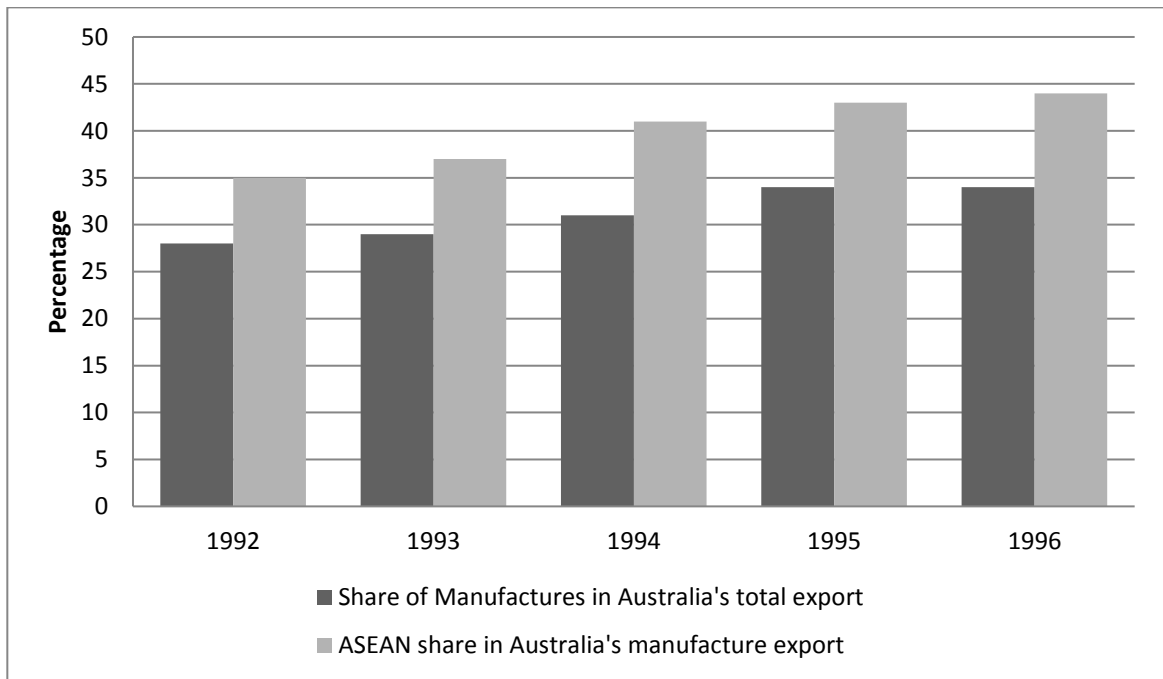
Source: DFAT (1997), *The APEC Region Trade and Investment: Australian Supplement*,

Canberra, Australia government Publishing Service.

133

In such circumstances, the creation of AFTA in 1992 created concerns in Australia that it might have an adverse affect on Australia's exports to ASEAN. The government shared such skepticism and consequently a study was conducted on the potential effect AFTA might have on Australia's trade, which gave its report in 1994. The report concluded that 'Trade and investment diversion as a result of AFTA's proposed tariff changes will have a marginal overall impact on Australia' and suggested the government to 'urge ASEAN to regard AFTA as a step towards more comprehensive liberalization, not as a substitute for it' (Commonwealth of Australia 1997). The suggestions were clearly on the lines of how Australia wanted APEC to shape up in the early 1990's. In fact, Australia's concern about AFTA also rested on the fact that it could hamper the progression of APEC by diverting ASEAN's attention from the Asia-Pacific liberalization mechanism towards an exclusive free trade area in Southeast Asia. Therefore Australia sought to develop an economic cooperation framework with ASEAN to encourage the latter to adopt an open and non-discriminatory approach to liberalization (Okamoto 2010: 184). So when Thailand's Minister of Commerce, Supachai Panitchpakdi, suggested the idea of building closer economic linkage between AFTA and CER, Australia enthusiastically favored it. After favorable responses from New Zealand and most of the other ASEAN member states, an informal consultation was held between the ASEAN Economic Ministers (AEM) and trade ministers from CER countries to look into the areas of cooperation. The areas identified in the consultations included human recourse development, customs and standard harmonization, investment facilitation, industrial cooperation etc., with priority given to areas of customs cooperation and standard and conformance (ASEAN Secretariat 2014h). Most of the activities were concerned with 'trade and investment facilitation rather than liberalization of trade and investment' (ASEAN Secretariat 2014e), as the objective of the AFTA-CER linkage was on assisting business and expanding inter-regional trade rather than a formal merging of the two FTA's (Lloyd 1995: 10). Even though the level of trade flows between ASEAN and CER is quite small (CER accounts for 1.15 % of total ASEAN exports and imports from CER represents 2.65% of ASEAN's total imports), ASEAN feels that the linkage between the two is a positive development (ASEAN Secretariat 2014e). It is because there is great scope for expansion of the trade that ASEAN and CER countries have

amongst themselves and also because both share the same perspectives on many economic issues (Ibid).

Howard's continuation of multilateralism

A defining feature of Australia's foreign policy under John Howard was the primacy accorded to bilateralism as 'the basic building block' (Commonwealth of Australia 1997: 53) of Australia's trade strategies. This bilateral preference was based on the philosophical premise of realism, which viewed the nation-state as the primary actor in world politics, and foreign policy as a mechanism to pursue their national interest essentially explained in terms of power. Adherence to realism also formed the basis of coalition's criticism of Labor's excessive faith in liberal internationalist ideas and its associated 'grand constructs' (Commonwealth of Australia 1997: iii), which, the coalition believed, were far adrift from reality. In contrast, Howard characterized Australia's approach as that of practical bilateralism, differentiated his government's position from that of labor by showing skepticism towards the utility of multilateral institutions and middle power diplomacy, and instead emphasized on the bilateral approach and accentuation of Australia's alliance relationships.

However, Australia's preference for bilateralism was not at the cost of a complete neglect towards the multilateral approach to regional engagement especially, in the first few years of Howard's term. In fact, the 1997 White Paper recognized the need for deploying all three approaches to foreign and trade policy – bilateral, regional and multilateral – even though it pointed out that a 'greater part of Australia's international efforts is bilateral' (Commonwealth of Australia 1997: 53). Rather, the government remained quite ambivalent towards bilateral and regional trade agreements in the first couple of years, as it rejected proposals that came from different quarters. In 1996, the government rejected a proposal from Canada and Chile to form an FTA among five Pacific economies of Australia, Canada, Chile, New Zealand and the United States on the ground that preferential trade agreements acts as a distraction from the 'main game' of negotiating improved multilateral arrangements (Ravenhill 2001: 284). A year later, Australia refused to enter into negotiations for bilateral FTA with USA and Canada. The government's skepticism towards FTA's was revealed in its first Trade Outcome and

Objective Statement released in 1997, which stated that 'discriminatory regional arrangements may enable faster liberalization' as they involve fewer countries but they can also 'distort trade and investment flows' and 'discriminate against non-members' leading to 'friction in the trading system' (Commonwealth of Australia 1997: 38,55). The government's first White Paper released later in the year, as well the subsequent trade and outcome statement did indicate a willingness to negotiate FTA's in future, but it was not until 2001 that Australia initiated negotiations for bilateral FTA with an ASEAN country. It eventually came into effect in 2003 – five years after the liberal coalition government of Howard came to power.

The continuation of multilateral approach towards Southeast Asia was rooted in a number of factors. Firstly, there has been a growing trend of Australian export to ASEAN resulting in large part due to the rapid pace of trade liberalization both unilaterally and multilaterally through the implementation of GATT Uruguay Round commitments. It has enabled Australia to get a greater access to ASEAN markets due to a substantial reduction of the traditionally high tariff rates, especially in the sectors of industrial goods and semi-processed products. This growing export trend also epitomized a major shift in Australia's trade from the traditional North American and European markets to that of Asia. By 1996, seven out of top ten Australia's export market were in Asia and even though North and East Asian economies takes most of the share, Southeast Asia has also become an important destination for Australia's export. Australia's exports to ASEAN have been growing at the rate of 18% per annum and the Southeast Asian grouping as a whole represents Australia's second largest export market after Japan accounting for 15% ($12 billion) of total merchandise export in 1996 compared to 6 % ($2.2 billion) in 1986.

Secondly, the APEC and AFTA-CER initiative were undergoing positive development. The Liberal coalition government stated that Australia will continue to 'contribute actively' to the development of such economic structures as they are essential in building trust, shared interest and shared responsibility (Commonwealth of Australia 1996). Building on such structures is also a mechanism of the government's engagement with Asia. As discussed in the previous chapter, Australia played a significant role in the establishment of APEC in 1989. From an Australian perspective, APEC's trade liberalization agenda provided an important avenue for Australia to share the economic

prosperity of the rising economies of East Asia while at the same time its inclusive nature could prevent Australia from being excluded from the institutional mechanism of the region. The Bogar meeting of leaders in 1994 was termed as APEC's 'golden age' (Berger 1999: 1016), where all the member states made a bold move of eliminating tariff barriers by 2010 (for developed nations) and 2020 (for developing nations). After coming to power in 1996, the coalition government adopted a bipartisan policy as far as commitment to APEC is concerned. The minister of Foreign Affairs, Alexander Downer, in a speech in 1996 stated that:

> The Australian Government is committed to ensuring that APEC develops as a non discriminatory trading organization. The Government will be pursuing that objective by seeking to put real flesh on the bones of the 1994 Bogor Declaration and the 1995 Osaka Action Agenda….There is no doubt that APEC has real potential to contribute to Australia's future prosperity.

> (Downer 1996b)

By this time APEC was already shifting its focus towards implementing the ambitious goals it set for itself. The leaders meeting in Osaka in November 1995 decided on an Individual Action Plan (IAP) to be developed by the each member countries outlining their timetables of implementing the Bogar goals. The IAP's were presented in the next leaders meet in Manila in 1996 and along with the collective action plan were compiled together as the Manila Action Plan for APEC (MAPC) to be implemented in January 1997. Australia released its own IAP in November 1996 and decided on reducing tariff levels to 5% or less on most goods by 2000 (Roberts 1997: 118). The member states recognized that the IAP's constituted the first concrete step towards achieving APEC's long term goal of free and open trade and investment (APEC Secretariat 2014b). The frequency of specialist ministerial meetings also increased, covering diverse sectors such as human recourse development, energy and sustainable development, cooperation in science and technology, telecommunication and information industry, SME's etc. (Ibid 2003: 38). Overall, regional liberalization under APEC covering almost 70% of Australia's total trade and based on open regionalism was going well at that time and was

expected to fill the gap of multilateral negotiations in the inter-round period (Okamoto 2010: 211).

Thirdly, the AFTA-CER linkage dialogue was also showing good signs at the initial stage, establishing a framework for consultations at the government as well as at the private level with senior official level meetings and business leader's dialogues. The first AFTA-CER ministerial consultations held in 1995 identified various areas of cooperation, with new measures in each sector were added in subsequent ministerial consultations (see Table). Considering the importance of the ASEAN market in terms of total value as well the ratio to Australia's total export, the Howard government accepted the linkage process that was undergoing during the period.

Factors Promoting Move towards Bilateralism

Australia in the initial years of John Howard's term continued with the multilateral agenda which was the hallmark of the predecessor labor government. The approach however underwent a change following a series of events which made the government skeptical of multilateralism. The first of which was the failure of regional mechanisms like APEC and ASEAN to initiate the expected process of liberalization which would be favorable to Australia. APEC, under the Osaka Action Agenda, attempted to undertake a 'concerted liberalization' process through IAP's, required to be submitted by member states and to be reviewed every year to ensure that their liberalization process was in tune with the Bogar goals. Even though APEC ministers claimed the 'unique approach in advancing trade liberalization' through IAP's – which every member states submitted at the Subic Bay meeting in November 1996 – as a 'credible beginning to the process of liberalization' (APEC Secretariat 2014b), the content of the IAP's left a lot to be desired. The IAP's made no commitment in addition to those already made in the Uruguay round, raising a question mark on APEC's ability to deliver liberalization that hadn't already been committed to in other context (Garnaut 1999: 17).

Table 1: (Areas of Cooperation in the AFTA-CER Linkage Dialogue in the 1990's)

Sectors	Year	Areas of Cooperation
Customs	1995	• Creation of a customs compendium for ASEAN and CER
	1996	• Technical assistance for the implementation of the GATT Valuation Agreement • Facilitation of cargo clearance • Electrical Commerce
	1997	• Publication of *Handbook on Customs Procedure*
	1999	• Training by New Zealand on the GATT Customs Valuation Agreement to the new members of ASEAN
Standards and Conformance	1995	• Exchanging of information and collaborative work on ISO 14000 environmental certification system • Featuring developments in CER standards and conformance in the *ASEAN standards and Quality Bulletin*
	1996	• Signing of *Memorandum of Understanding concerning Cooperation on Standards and Conformance towards ASEAN and CER countries* • Promotion of alignment to international standards such as ISO and IEC • Cooperation on the development of testing and accreditation systems • Achieving mutual recognition of testing results and certification programmes • Information promotion through mutual publications
Human Recourse Development	1997	• Exchange programme involving young entrepreneurs from small and medium enterprises.
Services	1997	• Cooperation on professional services, building/construction, transport and tourism
	1999	• Progress in the creation of Transport Information Directory (AFTA-CER Transport Information website) • Discussion to conduct a transport study to examine freight movements in the Mekong region
Investment Promotion	1998	• Private business sector plan to establish an investment matching system via internet
	1999	• Website launched by AIG to promote investment

		opportunities in ASEAN and CER.
Sanitary and Phytosanitary	1999	• A CER proposal for a pilot programme on electric quarantine certification, an ASEAN-CER Directory for Food Standards Authorities and assistance on SPS Risk Analysis
Others	1995	• Linkage of trade and investment database between ASEAN and CER
	1997	• Business Leaders' Dialogues produced the list of trade impediments in ASEAN and CER • Encouraging joint studies by researchers and think-tanks on future development of the AFTA-CER linkage.

Source: FTA-CER Ministerial Consultations (1995, 1996, 1997, 1999). Cited in Jiro
         Okamoto (2010: 191-92)

Australia were disappointed with many IAP's, particularly with that of Japan and China, as they continued with trade barriers over sectors which are Australia's important exports. Even generally, tariff reductions were undertaken in unweighted sectors ensuring that protection is alive and well in the region (Roberts 1997:118). As a result, the Howard government on its part limited Australia's IAP commitments to those already announced and refused to proceed with further commitments without reciprocal commitments by other member states that would further Australia's interest (Okamoto 2010: 212).

A year later, in the Vancouver Summit, the Early Voluntary Sectoral Liberalization (EVSL) was endorsed to initiate liberalization beyond the IAP's and maintain the vitality of the organization. Under the initiative, a package of fifteen sectors was identified of which nine were to be opened up for liberalization on a voluntary basis to be implemented by 1999, with the remaining six to be subjected to further preparatory work. Forecasting substantial gains if liberalization on the selected fifteen sectors takes place, Australia undertook a lot of diplomatic effort in support of the initiative. It also put two of the most important export sector - food and energy – for early liberalization under EVSL.

However EVSL ran into disagreement among the member states over the term 'voluntary', which meant different things to different APEC economies (Wesley 2001a:196). Australia, along with countries like US, Canada, Singapore and New

Zealand, prescribed for liberalization of the fifteen sectors as a package, to be implemented in full, in order to balance the interest of some economies against the other. Japan emerged as the principle opposition to this idea along with China and Korea arguing that it violated the 'voluntary' aspect of EVSL agreed to in the Vancouver meeting under which each country is free to determine the sectors on which it wishes to liberalize. The country's foreign minister, at the Kuala Lumpur meeting in 1998 would mockingly remind everybody about APEC's procedure stating that, 'Although I am not very familiar with the English language, I understand that the V in EVSL stands for voluntary, which means this is not a process for negotiation' (Boyd 1998: 4). Consequently, Japan refused to put fishery and forest products under the liberalization scheme not only because of these sector's sensitivity in the Japanese economy but also underlining the opposition of Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) to any regime commitments that obliged further liberalization of Japan's primary industries beyond those already made in the Uruguay round (Wesley 2001a: 197). As the deadlock couldn't be resolved, the 1998 APEC meeting passed the tariff aspect to the WTO, effectively abandoning the EVSL process within APEC. Australia, after putting so much effort to move the process of liberalization under APEC, was disappointed with the outcome. Deputy Prime Minister Tim Fisher accepted the outsourcing of APEC's agenda to the WTO as the 'second best way forward' and was disappointed by the level of commitment shown by some of the member states towards the initiative. Even Prime Minister Howard summed up APEC's position akin a car dropping back to the third gear (Kelly 1998: 9).

At a broader level, the failure of EVSL was a reflection of how different conceptions of APEC by different member states stood in the way of furthering the goals of trade liberalization. This led to a division within the organization which was readily apparent by the mid 1990's, between states such as Australia, USA, Canada and New Zealand, who rooted for binding targets for trade liberalism, and some of the Asian countries which favored trade facilitation and cooperation without any formal binding mechanism (Stubbs 2002: 447). This was not helped by the increase in the forum's membership, by inclusion of Peru, Russia and Vietnam in 1998. With 21 members, APEC ended up being an extremely large and diverse organization, one where the biggest

economies like USA, Japan and China disagree on many issues with each other as well as with the new entrant Russia, therefore weakening the forum's ability to act decisively. Many saw the forum as a trans-regional rather than a regional body, more akin to ASEM than EU (Ravenhill 2000: 329), where member states perceive it as a platform for discussion rather than a mechanism for practical achievements in trade liberalization.

Australia on its part continued to put its money on APEC but increasingly became skeptical of the forum, with consensual decision making and large membership, being suitable for arriving at consensus for comprehensive trade liberalization. In its 1997 white paper, a year before the APEC membership was increased, Australia warned that 'too rapid an expansion of APEC's membership could substantially inhibit its capacity to achieve its ambitious trade and investment liberalisation goals' (Commonwealth of Australia 1997: 43). The White Paper stated that for APEC to deliver on its promise, it 'needs to overcome some significant obstacles' one of which is the 'liberalisation fatigue arising from the political reaction in some APEC economies against the pace of change' (Ibid: 43). APEC's inefficiency became even more glaring with the deepening of the financial crisis as the organization could not produce anything of substance to help the beleaguered countries of the region. As APEC drifted on the sidelines, it was IMF which took upon the managerial role to restore financial stability in the region.

Some of APEC's central concerns were mirrored by ASEAN. As it did with the case of APEC, the Asian financial crisis exposed the ineffectiveness of ASEAN. In spite of being the most significant regional organization in Southeast Asia, ASEAN simply didn't have the institutional mechanism to ensure a collective response to the crisis. Hadi Soesatro (1999: 158-59) would sum up ASEAN's incapacity during the financial crisis with the following words:

> Since the regional impact of the crisis is so pronounced, it would be logical to expect ASEAN to be in the forefront of regional and international responses to the crisis. In the public's view this is one of the most important reasons for having ASEAN and for promoting ASEAN economic cooperation….The public has been largely disappointed with ASEAN. Its perception is that of a helpless ASEAN, an ASEAN that cannot move decisively, an ASEAN that is trapped under its organizational and bureaucratic weight, and an ASEAN that fails to respond to real, current problems and challenges.

The most contentious issue happened to be ASEAN's 'principle of non-intervention', which prevented adequate consultations among the member states resulting which none were aware of the problems building up in other states or the imminent impact of those problems on themselves (Severino 2002: 148). Like APEC, the expansion of ASEAN also effected the latter's internal cohesion, as most of the new members like Burma, Vietnam and Cambodia resisted to compromise on the 'non-interference' principle because of their domestic political sensitivity. Economic incentives to have some sort of stake towards fellow member states were also non-existent as intra-ASEAN trade played a miniscule role in the region's overall trade activities. There was a widespread perception that without modification of the non-interference principle, ASEAN would find it difficult to remain relevant to deal with any similar crisis in future (Soesastro 1999: 159; Harris 1999: 12).

Thus as far as the prediction the financial crisis and devising an effective solution to it is concerned, regionalism embodied by APEC and ASEAN was perceived to have been failed. It was also one primary reason behind the emergence of a pan–Asian regional consciousness – the institutional manifestation of which was the development of the ASEAN + 3 (APT) in 1997. APT linked ASEAN with the Northeast Asian economies of China, Japan and South Korea, as a means of averting similar crisis in the future (Stubbs 2002: 449). From an Australian perspective, the APT had important ramifications for the country's engagement policy with Southeast Asia. The APT emerged out of ineffectiveness of major regional groupings like APEC and ASEAN to devise a solution to the financial crisis. This was combined with resentment towards the role played by the IMF, whose solutions to the crisis, many perceived, have only exacerbated the situation. On of the most outspoken of such critics was Malaysian Prime Minister Mahathir Mohammad, who constantly opposed western countries and their sponsored institution's interference in regional affairs. Mahathir refuted IMF's explanation that the crisis was a result of inefficiencies inherent in the state centered approach to capitalist development in the region and instead put the blame on the foreign currency traders for deliberately undermining the tiger economies of East Asia (Berger 1999: 1019 - 20). He also berated APEC as 'toothless talking shop' (Kato 1999: 2) and

called for an exclusive regional architecture for finding Asian solutions to Asian problems to the exclusion of western nations including Australia. As a matter of fact, APT was a reincarnation of Mahathir's earlier proposal for EAEG under slightly different circumstances, and even prompted Malaysia to state that the formation of APT has made Mahathir's vision of an all Asian grouping into a reality. As opposed to APEC, the exclusive membership criteria of APT to include only Asian economies meant that Australia found itself out from the emerging regional grouping. This was in addition to an earlier exclusion from the Asian grouping of the ASEM process, with Mahathir again emerging as Australia's principle opponent. Citing cultural dissimilarity between Australia and Asian nations, Mahathir vetoed Australia's participation in the inaugural ASEM meeting in 1996, explicitly stating that 'to admit Australia to East Asian regional meeting would be like EU admitted Arabs…if Australia wanted ASEM membership it would have to join on the European side' (Baker 1996a).

Australia on its part expressed its desire to join the APT grouping, if the latter so desires, and hoped that the APT adopts an 'open and inclusive form of regionalism' (Commonwealth of Australia 2003a: 85) on the same lines as APEC. Part of this desire rested on the fact that collectively the APT countries buy half of Australian exports and any liberalization initiatives among the APT and the resultant trade diversion could hamper Australia's export in the region. APT has already shown signs of moving in that direction as the East Asian Study Group (EASG) in its report in 2002, suggested the establishment of an East Asian Free Trade Area (EAFTA) 'well ahead of the Bogar goal of trade liberalization set by APEC' (EASG 2002: 12). The study group acknowledged that an EAFTA would increase intra-regional trade and investments among East Asian countries and it may encompass the bilateral and sub-regional FTAs while talking into account 'the differences in economic development of East Asian countries' (Ibid: 12-13).

If exclusion from ASEM and APT in the second half of the 90's derailed Australia's efforts at regional engagement through multilateral channels, it was further hampered by ASEAN's indecision over the establishment of an FTA between itself and CER in 2000, despite positive recommendations by the task force set up to look into the feasibility of the same. As stated above, a formal linkage dialogue between AFTA and CER has been initiated in 1995 with the objective of facilitating trade and investment

between the two regions without however merging the two FTA's. Over the next couple of years, the dialogue process established a framework for consultations both at the governmental as well as at the private level at different sectors. In 1999, ASEAN, at the AFTA-CER Ministerial consultations in Singapore, proposed setting up of a task force to look into the feasibility of establishing an AFTA-CER FTA by 2010.

Considering the fact that establishment of an FTA was not on the initial agenda of the dialogue process and also that it was ASEAN who initiated the proposal considering its earlier reluctance, the 1999 meeting was a significant turnaround. It had to do with the regional economic environment, which altered significantly post the financial crisis of 1997. With the severe economic repercussions of the crisis on the member states, it was important for ASEAN to take initiatives that would again make the region attractive for foreign investment. Whether it was the acceleration of CEPT reduction schedule to 2002 or the promotion of the ASEAN investment area or proposals for AFTA-CER FTA – they were all moves to maintain ASEAN as a viable market in the immediate post crisis period.

Australia, who was always more favorable towards the idea of FTA than ASEAN, welcomed the latter's proposal. It felt that the FTA could inject new life into the multilateral trade liberalization in the Asia-Pacific, after the stagnation of APEC following the failure of the EVSL scheme. Also it would enable Australia to establish much stronger economic links, than what the current linkage process would enable with ASEAN, which is emerging as an important market for Australian exports. A broader FTA among ASEAN and CER would also avoid the need to establish separate FTA's with individual ASEAN member states. From an Australian point of view, it would minimizing negotiation costs and also avoid the scenario of discriminating among the ASEAN member states, which separate FTA's will inevitably bring (Okamoto 2010: 214).

Consequently, a task force was set up in 1999, consisting of former trade ministers, senior officials and economists from each member states and chaired by former Prime Minister of Philippines Cesar Virata, to look into the possibility of establishing an FTA between AFTA and CER. Australia appointed former Trade Minister Tim Fischer as the country's representative to the task force. In announcing the establishment of the task

force, Mark Vaile, the Australian minister of trade, stated in October 1999 that 'it signals that the Australian Government stands prepared to build even stronger economic links with our near neighbors in ASEAN" (Commonwealth of Australia 1999c). The task force met thrice over the next year and produced the report at the fifth Ministerial consultation between the ASEAN Economic Ministers and Ministers of CER on October 2000 at Chiang Mai. Titled the Angkor Agenda, the report after elaborate study and consultations recommended the establishment of AFTA-CER on both political and economic grounds (Commonwealth of Australia 2000: 1). While politically, the report pointed out, the FTA will strengthen their bargaining position in multilateral forums, on the economic font it will double each regions GDP to a combined value of US$ 1 trillion (ibid). However to be beneficial for all members, the report proposed that the pace of liberalization within the AFTA-CER FTA 'should proceed faster than that agreed within APEC' but not normally go 'beyond which AFTA had already agreed for ASEAN members' (Ibid: 3).

A few months before the task force tabled its report, Australia's Centre for International Economies prepared its own empirical study on the economic benefits of an AFTA-CER FTA and presented it to the DFAT. In tune with the task force report, the study also pointed out significant economic benefits from the FTA for all countries in both quantifiable and non-quantifiable terms. The study estimated a gain of US$48.1 billion of GDP over the period 2000 to 2020, if FTA becomes a reality out of which AFTA will have a share of US$25.6 billion and CER US$22.5 billion (of which New Zealand's will gain US$3.4 billion) (Davis et al.: vi). The study pointed out that the FTA could also be 'complimentary to other trade liberalization initiatives to liberalize trade – such as those within APEC and the WTO multilateral context', resulting in larger gains for which 'an earlier establishment of FTA is far preferable to a later one' (ibid: viii).

Considering the composition of the task force, chaired by a former Prime Minister and comprising a group of trade ministers and economist's closer to their respective government, it was expected that the recommendations would greatly impact the decision-making on the ministerial consultation in 2000 where the report was placed. However this was not to be as the ASEAN member states remained at odds over the establishment of the free trade agreement. While Singapore and Thailand favored the proposal, Indonesia and Malaysia opposed the move resulting which a consensus could

not be achieved with ASEAN. Opposition towards AFTA-CER FTA was more on political grounds than economic, primarily among which was Australia's strained relations with Malaysia and Indonesia. Malaysia's opposition was on expected lines as Prime Minister Mahathir constantly resisted Australia's inclusion and linkage with any regional economic or security architecture. Indonesia's opposition had to do with the strained Australia-Indonesia relations following Australia's involvement in the independence of East Timor. Some of the ASEAN member states were also skeptical about the utility of AFTA-CER FTA to provide immediate solutions to the regional states as they are engulfed in the financial crisis. For instance, some of the officials from the Indonesian chamber of commerce and industry stated that the government should not enter into any new trade liberalization schemes in addition to those already committed, as the priority should be bring some sort of political order in the country before going ahead with trade liberalization (Okamoto 2001: 10). This echoed the sentiments of a number of ASEAN members who were reluctant to reduce tariffs. Consequently, both Malaysia and Indonesia refused to start talks on FTA, leaving the ministerial consultations in Chiang Mai indecisive over the issue. However, at the ministerial consultations, there was a general acknowledgement that closer AFTA-CER linkage will increase their bargaining position as well as attract more investments (ASEAN Secretariat 2014h). Therefore the ministers 'commended' the task force report and agreed to take into account the relevant recommendations that could promote closer integration of the ASEAN-CER countries. However what they took account of was the fact that it was not to be an AFTA-CER FTA but a Closer Economic Partnership (CEP), with no mention of tariff reductions. The senior officials were required to look into the potentials of the CEP and report its outcome on the next AEM-CEP consultations in 2001.

The 2001 consultations formulated a Framework for the CEP, whose goals would be comprehensive economic cooperation, promotion and facilitation of trade and investment, improving competitiveness and bringing down the development gap through substantial benefits to all participating countries (ASEAN Secretariat 2014h). As liberalization was one of the goals of the CEP, Australia hoped that the current work of removing the non-tariff barriers would later on be broadened in scope to incorporate reduction in tariff barriers as well. However, its hopes were belied when Malaysian

Minister of International Trade and Industry confirmed at a press conference that tariff reduction would not be a part of the CEP programme (*The Weekend Australian* 2000). Australia was naturally disappointed with this exclusion. Downer, terming the AFTA-CER a 'missed opportunity' considering its potential gains for both sides, pointed out in a 2001 speech that:

> South-East Asia cannot afford to miss out on the jobs, income and growth that foreign investment brings. But this is exactly what will happen if ASEAN continues to hamstring itself in a way that inhibits economic integration…..By rejecting the recommendation of an AFTA-CER taskforce that an FTA was both feasible and advisable, ASEAN sent a strong - negative - signal to investors about the commitment of its members to increasing regional economic integration……ASEAN's decision not to proceed with an FTA was very disappointing.
>
> (Downer 2001)

The Minister, however, enunciated Australia's commitment to make the CEP more credible. Trade Minister Mark Vaile and Australia's task force representative Tim Fischer too gave an optimistic note. While Vaile maintained that CEP is an important step towards Australia's closer economic integration with Southeast Asia (Commonwealth of Australia 2000), Fischer remained optimistic pointing out that the idea of an AFTA CER FTA 'will fly eventually' (Kelly 2000).

Free Trade Agreement as a mode of Bilateral Engagement

Uncertainty to pursue region-wide Free Trade Agreement with Australia, in light of the failure of AFTA-CER FTA, prompted the country to look for alternate ways to establish closer economic relations with Southeast Asia. In view of the failure of regional mechanisms like APEC to promote trade liberalization on expected lines, combined with opposition of some ASEAN members, particularly Malaysia, to comprehensively engage Australia in any regional framework, prompted the latter to pursue preferential trade agreements with individual ASEAN countries, those of which are in alignment with Australia's interest. This views towards bilateral FTA's marked a major transformation from the mid 90's, when the country viewed bilateral FTA with considerable skepticism due to its discriminatory nature against non-members. However, a month after the

indecisiveness of the 2000 Ministerial Consultations in Chaing Mai, Howard and his Singaporean counterpart Goh Chok Tong, in the APEC leaders meeting in Brunei, decided on starting negotiations for an FTA between the two nations – Australia's first FTA with a Southeast Asian nation and second overall since the 1983 CER agreement with New Zealand. Negotiation of FTA with individual ASEAN countries was a manifestation of Australia redesigning its engagement policy with Southeast Asia through bilateralism. As the DFAT's 2000-2001 Annual Report stated, 'against the backdrop of regional uncertainty and lack of consensus to pursue a regional FTA', the bilateral Free Trade agreements highlighted Australia's efforts 'to develop closer political and economic engagement with the region (Commonwealth of Australia 2001a). The government stated that while it would continue to play a part in multilateral trade negotiations through the WTO, at the same time it would also work towards bilateral free trade agreements. Dismissing critics who argue that FTA's acts as an impediment to the multilateral process, Senator Chris Ellison (2002), speaking on the behalf of Trade Minister Mark Vaile, adamantly termed as 'pure and simple nonsense' the argument that Australia 'can't walk and chew gum at the same time, and the country should focus exclusively on the Doha multilateral negotiations rather than an FTA with USA – or with Singapore, or Thailand'.

Singapore – Australia Free Trade Agreement

Singapore occupies a prominent position in Australia's trade and investment. Till 2000, the country was ranked among the top ten trade and investment partner of Australia and has the largest volume of trade among all the countries of Southeast Asia (see table). Singapore also has the lowest expense, among all ASEAN member states, in forming an FTA as its trade barriers are negligible and it also has an experience in FTA negotiation, having already signed one with New Zealand in 2000. Other than economic factors, Singapore was also most eager among all the ASEAN member states towards trade liberalization. Like Australia, it favored the institutionalization of APEC with formal binding mechanisms to speed up the process of liberalization. Consequently, both the countries supported the EVSL process and favored the liberalization of selected fifteen sectors as a package to move the APEC liberalization process forward after the

disappointment of the IAP reports. Singapore even supported the inclusion of Australia into the Asian side of ASEM (Singapore was also the initiator of the Asian Europe meeting). It was one of the first countries to propose the establishment of an AFTA-CER feasibility task force and the fact that the country was the agenda setter, being the Chair of the AEM, helped in the uninterrupted formation of the task force. This was especially important because some of the ASEAN countries like Indonesia and Malaysia were not very enthusiastic about the proposal. Also, the slowdown of the AFTA liberalization process, due to the extension of the tariff reduction schedule of countries like Indonesia and Malaysia, prompted others like Singapore to keep up the pace of their own liberalization process through bilateral FTA with states outside the ASEAN grouping.

Since both Singapore and Australia have a common outlook towards the value of trade liberalization, Australia believed that an FTA agreement between them will pave way for further initiatives at all levels towards a more open trading environment in Southeast Asia (Commonwealth of Australia 2003f). In the APEC leaders meeting at Brunei in 2000, leaders of both countries announced to start negociations for an FTA.

Table 2: Australia's top 10 Trade and Investment Partners in 2000.

Rank	Goods Exports	% of total Exports	Goods Imports	% of total Imports	Rank	Service Exports	% of total Exports	Service Imports	% of total Imports
1	Japan	21	USA	20.3	1	USA	18.3	USA	20.3
2	USA	10.6	Japan	13.4	2	Japan	11.4	UK	12.2
3	Korea	8.6	China	8.0	3	UK	10.7	**Singapore**	6.7
4	NZ	6.3	UK	6.0	4	NZ	7.0	Japan	6.5
5	China	5.8	Germany	5.2	5	**Singapore**	5.7	NZ	5.3
6	**Singapore**	5.7	Korea	4.2	6	HK	3.4	HK	4.3
7	Taiwan	5.3	NZ	3.9	7	Indonesia	2.8	Germany	3.4
8	UK	3.6	Malaysia	3.7	8	Malaysia	2.7	Malaysia	2.7
9	HK	3.4	**Singapore**	3.3	9	Germany	2.7	Switzerland	2.5
10	Indonesia	2.8	Taiwan	3.1	10	China	2.2	China	2.3

Rank	Investment Abroad	% of total outward investment	Inward Investment	% of total Inward Investment
1	USA	41.7	USA	30.0
2	UK	17.3	UK	24.8
3	Japan	6.1	Japan	6.9
4	New Zealand	5.3	Hong Kong	3.4
5	**Singapore**	2.6	**Singapore**	2.8
6	Hong Kong	2.2	Netherlands	2.2
7	Germany	2.0	Germany	1.8
8	France	1.6	New Zealand	1.8
9	Netherlands	1.2	Belgium/Luxemburg	1.3
10	Canada	1.0	France	1.2

Source: Okamoto (2010: 217)

NZ: New Zealand; HK: Hong Kong

However, negotiations on the service and investment sectors proved to be quite difficult. While Australia targeted for a more comprehensive commitments to trade in services than those of the General Agreement on the Trade in Services (GATS), Singapore was hesitant to offer more than what it does under the WTO (Okamoto 2010: 219). Consequently, Singapore was not initially willing to adopt a 'negative list approach', one which Australia preferred, and it was only after a series of negotiations when Singapore finally accepted Australia's argument for a negative listing in April 2002 (ibid: 219). The adoption of the negative list approach was a major breakthrough in the negotiations, which the government believed, could infuse a 'liberalizing and transparent thrust' to the agreement as 'all exceptions must be specifically reserved, or they are deemed to be liberalised' (Commonwealth of Australia 2003f: 10). DFAT appreciated Singapore's acceptance of the negative listing by pointing out that 'while it could have exactly the same outcome in terms of commitment' as the positive list approach, the former would bring a greater degree of trade liberalization and transparency than the positive list approach adopted in the free trade agreements that Singapore agreed with Japan and New Zealand (Commonwealth of Australia 2003: 15).

Consequently, the Singapore – Australia Free Trade Agreement (SAFTA) was signed in February 2003 which, as the preamble stated, was in 'conscious of their longstanding friendship and growing trade and investment relationship' (Commonwealth of Australia 2003c). Australian Trade Minister Mark Vaile and his Singaporean counterpart BG George Yeo pointed out, in a joint media release, that the agreement reaffirms the close relationship between Australia and Singapore whose mutual benefits would include 'tariff-free entry for all Singapore exports to Australia, easier access for Australian service suppliers into the Singapore market, and more choices of universities for Singaporeans wishing to study law in Australia' (Commonwealth of Australia 2003b). Overall, the government maintained that SAFTA 'will create a more open, transparent and predictable framework for bilateral trade and investment across a broad range of areas, particularly in services trade' (Commonwealth of Australia 2003a: 61). In 2003, the government released a *Summary of key outcomes of SAFTA for Australia* pointing out the benefits of the Free Trade agreement for the country. Primary among those were:

- Elimination of all tariffs

- Easing of restrictions on the number of wholesale banking licences.
- Telecom interconnection on non-discriminatory, timely, cost-oriented terms
- Easing of conditions on establishment of joint ventures involving Australian law firms
- Removal/easing of residency requirements for Australian professionals
- National treatment and market access commitments for Australian education providers
- Opening of the environmental services sector to Australian businesses
- Open market access and national treatment for a range of other service sectors
- Removal of customs duties on bilateral electronic transmissions

(Commonwealth of Australia 2003e)

The successful conclusion of the SAFTA was a success of Australia's bilateral approach in engaging with the Southeast Asian nations. Despite the long negotiation period, at the end, the Howard government seemed satisfied with the content of the agreement. There was yet another reason why SAFTA was important for Australia. The government expected that if SAFTA could demonstrate notable benefits to Singapore by increased access to Australian market, other ASEAN members could follow Singapore and negotiate FTA's with Australia (Okamoto 2010: 221). In its 2003 White Paper, the Government mentioned that because SAFTA goes beyond WTO agreements in certain sectors, it provides a 'first rate template for liberalizing agreement with other countries' (Commonwealth of Australia 2003a: 61).

Thailand Australia Free Trade Agreement

As expected by the Australian government, the commencement of negotiation for SAFTA did provide stimulus for similar negotiation with other ASEAN countries. In fact, even as SAFTA negotiations were going on, the government proposed for a free trade agreement with Thailand. With a population of over 60 million, Thailand was the second largest and one of the fastest growing economies of Southeast Asia. In 2002, the two way

value of trade in goods and services between Australia and Thailand stood at A$7,019 (Commonwealth of Australia 2015). While the value is small in proportion to their global trade (Australian export to Thailand is 1.8 % of its total trade whereas Thai export to Australia is 2.3% of its total trade), it is nevertheless fourth among the ASEAN countries behind Singapore, Indonesia and Malaysia (see table). Thailand also shared certain economic policy considerations with Australia. Like Singapore, the country was supportive of the AFTA-CER idea. Also in the post crisis period bilateral agreements represented a new dynamics towards regional and global free trade. Even Thailand wanted to be a part of the trend and under Prime Minister Thaksin Sinawatra, the country became a strong advocate of bilateral FTA's, as the financial crisis provided it with a strong warning to look for alternates to guarantee foreign exchange earnings through trade (Chirathivat and Mallikamas 2004: 42). By 2003 it had already signed bilateral FTA's with Bahrain, India, Peru and China.

In 2002, a joint scoping study was conducted by the Australia's DFAT and Thai Ministry of Commerce on the on the impact of the bilateral FTA between Australia and Thailand. The study, in its July report, pointed out that

> …a free trade agreement would bring significant economic benefits to both countries….Trade and investment between Australia and Thailand would expand substantially. A free trade agreement could also provide a framework to cooperate further on a wide range of issues, ranging from e-commerce to competition policy.
>
> (Commonwealth of Australia: 2002: 1)

The study noted that the gains from the FTA would be bigger the faster liberalization proceeds. In economic terms, the agreement would lead to an increase in real consumption of US$ 4.9 billion for Australia and US$14.3 billion for Thailand whereas the GDP gains would be US$6.6 billion for Australia and $US25.2 billion for Thailand. In light of these potential benefits the study concluded that 'the Governments of Australia and Thailand should give close consideration to entering into negotiations to establish an FTA' (Commonwealth of Australia 2002a: 1). Consequently, on October 2003, John Howard and Thaksin Shinawatra announced the reaching of an agreement to establish a FTA between the two nations bringing an end to a year long period of negotiation.

Howard claimed this to be a 'very important step' and an 'another illustration of the growing economic links' between the countries of the region (Sydney Morning Herald 2003b). The Thailand Australia Free Trade Agreement (TAFTA) was Australia's first FTA with a developing country and came into effect in January 2005 with the primary objective of liberalizing trade in goods and creating favorable conditions for the stimulation of trade and investment flows.

A 2004 report, prepared for the DFAT by the Centre for International Economics, concluded that trade liberalization undertaken under TAFTA will provide economic dividends for both nations with increase in output at all sectors covered in the agreement. However the report noted that gains to Thailand would be around 'three times the gains for Australia', as Thailand has higher barriers to trade and has more to gain from trade liberalization compared to Australia (Centre for International Economics 2004: vii-viii) . Though TAFTA was expected to provide boost to Australia in certain sectors like diary, wheat, beef, wine and car industry, on a whole the Australian government did not seem to be too satisfied with the content of the agreement. Compared to SAFTA, TAFTA was less comprehensive in scope. A positive list approach was adopted for TAFTA, unlike SAFTA where a negative list was adopted. Even though Australia achieved total tariff elimination on its exports, the time frame of tariff abolition for some sectors was considerably long, like that of dairy products, where tariffs will be gradually reduced and will be eliminated in 2025 (Okamoto 2010: 237). Thus unlike SAFTA, where the government was willing to go through a long negotiating period to secure what it wanted economically, signing TAFTA was more of a political decision to move the process of bilateralism forward. In the latter sense, TAFTA was projected as a significant step in an endeavour towards regional engagement through trade liberalization.

Figure 5: Australia's trade with Thailand (2002)

Australian Exports (2002)

Other ASEAN (7) 10%
EU 13%
USA 11%
Thailand 1.8 %
Japan 17%
ROW 47%

Thai Exports (2002)

ASEAN (7) 18%
Japan 15%
Australia 2.3 %
EU 15%
USA 20%
ROW 30%
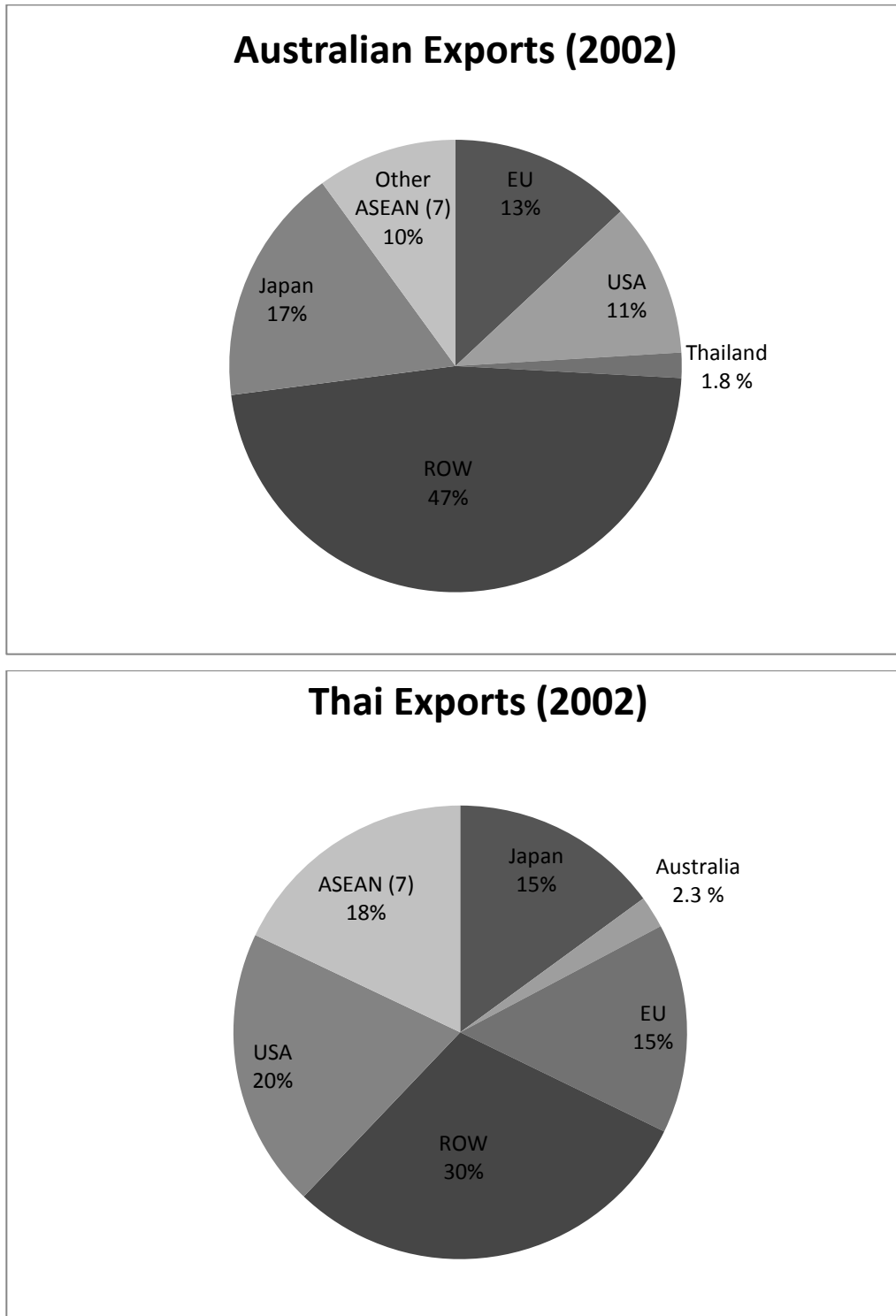
Source: Centre for International Economics (2004: 5).

Negotiation for Free Trade Agreement with Malaysia

From a political point of view, the most significant FTA was the one which Australia negotiated with Malaysia. Negotiations for linking the economies of Australia and Malaysia marked a significant change from the period when Malaysia under Prime Minister Mahathir repudiated any Australian attempt to engage with Southeast Asia. The change in Malaysian leadership happened to be the main catalyst. Prime Minister Abdullah Ahmad Badawi's visit to Australia in 2005 was the first official visit by a Malaysian leader in twenty years, which was viewed as a warming of ties between two countries whose past relations has been fraught with political and cultural difficulties (CNN 2005). The highlight of the visit was the signing of a statement of intent by Australia's Trade Minister Mark Vaile and his Malaysian counterpart to begin negotiations for an FTA.

Malaysia's decision to negotiate free trade agreements also marked a change from a period when it itself criticized ASEAN members like Singapore and Thailand's move towards such agreements. This was after the Asian Financial crisis and the consequent slow down of the trade liberalization process under AFTA which prompted countries like Singapore and Thailand to maintain the liberalization momentum by signing FTA's with members outside ASEAN. Malaysia criticized such moves as compromising ASEAN solidarity, asserting that if majority of ASEAN members favour bilateral FTA's, the meaning of AFTA would be significantly decreased (Okamoto 2010: 238). However by the beginning of the new century, Malaysia changed its own stance towards FTA's. Question marks over the credibility of multilateral trade negotiations, following the failure of the 2001 Doha rounds, led to a refocusing of Malaysia's interest in FTAs. Like some of the other ASEAN members, Malaysia also saw the need to gain access to international markets and remain an attractive destination for foreign investment. Subsequently in 2004, Malaysia launched its first FTA negotiations with Japan. In the same year, at the Australia-Malaysia Joint Trade Committee Meeting, Australia's Trade Minister Mark Vaile and his Malaysian counterpart Rafidah Aziz agreed to conduct a parallel scoping study of a FTA which was to provide a basis for the two governments to look into the feasibility of starting negotiations.

Australia and Malaysia always had a strong commercial relationship despite political and cultural indifferences. Being the fourth most open economy in the world, Malaysia's liberal trade and investment policy provided an excellent market for Australian producers and investors (International Monetary Fund 2003). It reflected in their goods and services trade as Malaysia in 2005 was Australia's second largest trading partner in ASEAN after Singapore and ninth largest overall with a total trade of 10.44 billion accounting for 2.9 percent share of Australia's total trade. Australia is Malaysia's seventh largest export market and twelfth largest import source. In 2005, total merchandize trade between Australia and Malaysia stood at 8.59 billion, two-way service trade stood at 1.85 billion (Commonwealth of Australia 2007b: 5).

The strong economic complementariness between the two countries was highlighted by the Australian scoping study on FTA, which released in report on 2005. After detailed assessment of different sectors, the report concluded that the 'case for a free trade agreement with Malaysia is very strong' as it could benefit both economies and provide a basis for a much stronger cooperation and further liberalization on a wide range of issues (Commonwealth of Australia 2005c: vi, vii, x). Consequently, the report recommended the initiation of negotiations for an FTA between Australia and Malaysia, provided they do so while remaining consistent with, as well as, building on their commitments to the WTO. The conclusions of the scoping study were supported by the Malaysian side at the Australia Malaysia FTA conference in March 2005. At the same time as the scoping study was released, a report by the Centre of International Economics prepared for the DFAT assessed the possible economic implications of MAFTA for both countries. The report presented some key findings of the economic analysis (on the premise that the FTA is implemented in 2007) with a general observation that 'MAFTA will lift economic growth and welfare in both Australia and Malaysia', which will be maximized if the agreement 'is implemented immediately rather than a 5 or 10 year phase in period' (Centre for International Economics 2005: vi, x). Consequently, in 7th April 2005, Prime Minister Howard and his Malaysian counterpart Abdullah Badawi agreed to launch negotiations on an FTA. During Howard's term, four full rounds of negotiations took place on the FTA between May 2005 and July 2006. Even though the negotiations were expected to conclude by 2007, the parallel initiation of multilateral negotiations on

the Australia ASEAN New Zealand Free Trade Agreements (AANZFTA), which also begin in 2005, interrupted the flow of the bilateral free trade talks. Eventually, eight more rounds of negotiations were held between August 2009 and January 2012, following which MAFTA entered into force in January 2013. Notwithstanding the economic cost-benefit aspect of the agreement, the fact that a FTA negotiation was initiated with Malaysia was a major achievement of the Howard government considering the history of strained relationship between the two countries. An FTA with Malaysia during that time, having already negotiated FTA's with Singapore and Thailand, would mean that Australia will have free trade agreement with almost half of the ASEAN economy (Sheridan 2005).

Bilateralism reviving Regional Engagement

Amidst the Howard Government's promotion of bilateral economic engagement through FTA's, region-wide ASEAN engagement with Australia, which was put on hold till then, got a new lease of life. Australia during Howard's term negotiated Free Trade Agreement with Singapore, Thailand and Malaysia, with the former two countries concluding the negotiations. As these three countries constitute the core of the ASEAN economy, bilateral FTA with these economies also helped the renewal of regional liberalization process. Thus the AFTA-CER FTA process, which was stalled since 2000 as a result of opposition from Malaysia and Indonesia, witnessed a revival when the ASEAN Economic Ministers meeting in April 2004, invited Prime Ministers John Howard and Helen Clark to the ASEAN-Australia-New Zealand commemorative summit in Vientiane in November 2004 to mark the 30th anniversary of ASEAN-Australia and ASEAN-New Zealand dialogue relationship. Realizing the importance of enhancing the ASEAN-Australia and New Zealand economic partnership, the summit members declared to 'build on existing and ongoing cooperation initiatives under the AFTA-CER, CEP' and 'commence negotiations on an ASEAN-Australia and New Zealand Free Trade Area in early 2005'. The summit agreed upon the '*Guiding Principles for Negotiation on ASEAN-Australia-New Zealand Free Trade Area*', endorsed by the economic ministers, and placed it as an attachment to the joint declaration. The guiding principles committed countries to pursue a comprehensive FTA covering trade in goods, services and

investment and move towards deeper regional economic integration through progressive elimination of all forms of barriers to trade (ASEAN Secretariat 2014f). It also provided a time frame for the FTA wherein negotiations are to begin in early 2005, to be completed within two years, and implementation to be done within 10 years.

The decision to establish the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was indicative of ASEAN's interest in taking the AFTA-CER Closer Economic partnership (CEP) to the next level. It did so as a part of a broader objective to establish free trade agreement with a number of regions. On the other hand, for Australia, AANZFTA would provide access in ASEAN markers in those sectors where it does not have any bilateral FTA's. However, beyond the economic incentives of the partners involved, the change in Malaysian leadership played a prominent role as Badawi was more accommodative towards Australia in comparison to his predecessor Mahathir who vetoed the FTA proposal in 2000. Also, the inclusion of the guiding principles of FTA in the annexed document of the Joint Declaration of the Leaders at the ASEAN-Australia and New Zealand Commemorative Summit was indicative of ASEAN's seriousness towards the FTA negotiations. The first round of negotiations for the FTA began in February 2005 and was completed in August 2008. Commencement of negotiations for an AFTA-CER FTA was a landmark step for both Australia and ASEAN. It was the first time that Australia negotiated for a multi-country FTA and also the largest FTA that Australia eventually signed. It was also the beginning of one of the most comprehensive agreements that ASEAN ever negotiated with a dialogue partner covering a range of sectors. Pointing out to the growing trade and investment relationship between Australia and ASEAN, Australian Minister of Trade Mark Vaile viewed the launch of the ASEAN-ANZ FTA negotiations as a 'watershed in Australia's trade policy' and a 'historic development in Australia's engagement with South-East Asia' (Commonwealth of Australia 11 feb 2005; Commonwealth of Australia 21-22 feb 2005). The government believed that ASEAN, with a combined GDP of around US$682 billion, and Australia, with a GDP of more than US$600 billion, offers exiting prospects to each other. And along with bilateral FTA's with individual member states, the FTA negotiations with

ASEAN were expected to consolidate Australia's economic engagement through liberalization with the Southeast Asian region[49].

Conclusion

The Liberal National Coalition of John Howard advocated a realist and pragmatic approach to foreign policy. The government laid particular stress on bilateralism as the most important component of Australia's foreign and trade policy and an essential mechanism of engaging with the Southeast Asian region. Nowhere was this bilateral turn in foreign policy more evident than in the government's trade policy, with a series of bilateral free trade agreements concluded and under negotiation during Howard's term with ASEAN member states. The Howard government projected the free trade agreements as serving two purposes. First, the government departed from the traditional approach of viewing bilateral FTA and multilateral negotiations as essentially 'zero-sum games' (Vaile 2003), and rather saw the former as reinforcing the latter. FTA's were regarded as an essential element of the government's competitive liberalization policy – to ensure that Australian companies are not at a disadvantage amidst the proliferation of FTA's by other states - as well as using them as a benchmark for multilateral liberalization. The government also believed that bilateral free trade with member states can provide impetus to the multilateral liberalization objectives of the WTO. And secondly, from the engagement point of view, the bilateral free trade agreements served as a valuable instrument of economic linkage with the key markets of the Southeast Asian region. It was valuable as it served as an alternate mechanism of economic engagement, as region-wide liberalization initiatives, exemplified through AFTA-CER FTA, could not be initiated in face of opposition from some ASEAN states. In that sense, bilateral FTA also served another purpose. It provided impetus to the AFTA-CER FTA process (even though negotiations could begin only at the fag end of the Howard's term) as ASEAN saw the merits of economic engagement with Australia.

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[49] After a series of negotiations, The ASEAN Australia New Zealand Free Trade Agreement (AANZFTA) was signed in 2009 and entered into force in 2010.

Chapter – 5

Australia's Strategic Engagement with Southeast Asia

Introduction

The last chapter examined the process of Australia's economic engagement with Southeast Asia under Howard. This chapter will look into Australia's pursuance of strategic engagement during the period of study. The first section presents a historical overview of the evolution of Australia's strategic perception towards Southeast Asia from a source of threat to an emphasis on security regionalism particularly in the post Cold War period. The second section highlights the liberal coalition's perception towards regional security, its policy response to the changes in the regional security environment in the post Cold war period, and the government's perception of the challenges and opportunities facing Australia through an analysis of the government's reviews of the strategic environment. The third section makes an assessment of the bilateral and regional approaches of Australia's strategic engagement with Southeast Asia. At the regional level Australia's perception towards ASEAN and ARF is analysed. At the bilateral level specific focus is in Australia's relations with Indonesia during one of the major test case of Australia's regional engagement policy – the crisis in East Timor. The section also examines Australia's role in the East Timor crisis within the framework of middle power behaviour. The final section looks into the impact of the events of 9/11 on the promotion of Australia's security cooperation with Southeast Asia. The section looks at Australia's response to 9/11, the elements of difference with the country's response to the Bali bombings as far as attitude towards an assessment of source of terrorist threat is concerned, and the coalition's emphasis on practical regionalism in cooperating against trans-national security threats.

Historical Background of Australia's Strategic Reorientation towards Southeast Asia

Geographical proximity ensures that Southeast Asia always remains present in the strategic calculations of Australia's foreign policy. However, Australia's projections towards the region had undergone fundamental changes throughout the last century. In the greater part of the 20th century, the region was perceived as a source of threat to Australia. In the years aftermath independence, the fear of Asian immigration triggered the 'White Australia Policy', meant not only to preserve the 'Britishness' of Australian society but also to prevent the influx of Asian immigrants to the country. Even though the White Australia Policy was particularly targeted against Chinese and Japanese immigrants, the social and cultural character of Southeast Asian nations meant that the region also was within Australia's exclusivist calculations. During the Second World War, Japan's annexation of parts of Southeast Asia posed a genuine security threat to Australia, as it dissipated the British security umbrella which till then served as the cornerstone of Australia's security. As the Cold War begin, the threat from Japan was replaced by the fear of Chinese communist influence in the Southeast Asian region. It induced Australia to adopt a forward defense strategy of committing forces in Southeast Asia in alignment with USA, with the objective of containing communism in the region. At the same time, as the region itself got polarized among communist and non-communist states, SEATO provided Australia's security linkage with Philippines and Thailand. The greatest expression of Australia's forward defense strategy was its participation in the Vietnam War in alliance with USA, but one which also heralded a major transformation of Australia's strategic priorities.

In the post-Vietnam period, Australia's economic and strategic complexities generated a reorientation of its outlook and approach towards Southeast Asia. Rather than viewing the region solely as a source of threat, Australia saw the necessity of accommodating the regional complexities in pursuance of its own national interest. Australia developed institutional links through dialogue partnership with ASEAN – a mechanism developed to promote regional solidarity and economic prosperity among the Southeast Asian states. For Australia, links with ASEAN provided a useful channel for engaging with the Southeast Asian region. Other than ASEAN, the Five Power Defense

Agreement (FPDA) enabled Australia to maintain security ties with Singapore and Malaysia. Australia also established a strong bilateral relationship with Indonesia through its tactic appreciation of Suharto's new Order regime and the latter's annexation of East Timor. Also evident since 1980's, was a transformation of Australia's strategic outlook, from a forward defense policy towards that of self-reliance considering the generally favorable security environment for Australia. This transformation had an important regional dimension as well. The policy of self-reliance envisaged Southeast Asia as a region of primary strategic interest where developments could have a direct bearing on Australia's security. Consequently, rather than seeking security from the region, there emerged a need to work with it in an endeavor to develop a regional security community. One way of developing such a security community was through cooperation with ASEAN in activities of common security interests.

Emphasis on security regionalism was pursued even more vigorously by Australia in the immediate post Cold War period. The end of the east-west conflict, followed by the dissolution of Soviet Union, heralded a major change in the global strategic environment. Australian policy makers were quick to note that neither the country nor the region was insulated from these changes taking place at the global level. While tabling the country's first White Paper in the post Cold War Period, Australia Minister of Defense Robert Ray acknowledged the 'dramatic' and 'unforeseeable' change heralded by the collapse of the Soviet Union – a change from which no part of the globe remains unaffected, certainly not Asia and Pacific (Commonwealth Parliamentary Debates 1994: 3566). The Minister went on to state that the geo-strategic change has been accompanied by rapid economic growth in the Asia-Pacific region which has an enormous long term consequences for strategic relationships and thereby the security of the region. One major consequence was pointed out by the 1994 White Paper *Defending Australia,* as it stated that the growing economic strength of the countries of Southeast Asia region will lead to an expansion of their military capabilities, and they will become 'increasing valuable strategic partners for Australia' (Commonwealth of Australia 1994: 86). Overall, the 1994 White Paper emphasized the complex and dynamic post Cold War strategic environment requiring Australia to develop its dialogue on strategic and defense issues with key countries of the region to promote regional stability and avoid destabilizing strategic competition (Ibid:

85). In this regard, the White paper stated that the pursuit of Australia's interest with Southeast Asia will continue to be the highest priority in its regional defense approach, as the region, free from any conflict and external pressures, will be very much in Australia's interest (Ibid 86).

Australia pursued strategic engagement with the region though a multidimensional policy that would be amicable to its interest. Southeast Asia was accorded specific significance for the development of a stable regional security environment. Since the late 1980's, Australia adopted a 'comprehensive engagement policy' with Southeast Asia through building diverse linkage and participating in the gradual development of a regional security community based on shared strategic interest. Australia also strongly advocated the development of a region-wide multilateral institution for the promotion of regional security. Even though its proposal for CSCE could not materialize, the development of ARF in 1994, involving ASEAN and its dialogue partners, ensured that Australia remains part of any emerging regional security mechanism. Bilaterally, Australia's relations with Indonesia continued to be of primary significance culminating in an important formal security linkage in the form of Agreement on Maintaining Security (AMS), signed between the two countries in 1995. While Australia attempted to develop security linkage with Southeast Asia, it also at the same time projected itself as an able middle power with enough credentials to play a pro-active role in regional conflict resolution. For instance, Australia's central role in the peace-keeping effort in Cambodia was a significant exercise of successful coalition building, which was asserted by the labor government of Keating, as demonstrative of effective middle power diplomacy in conflict resolution.

Liberal National Coalition's Perception of Regional Security

When the liberal national coalition government of John Howard took office in 1996, the security environment of the Asia Pacific region was still undergoing major transformations brought about by the end of the Cold War. The new government was prompt to take note of those changes, its implications for Australia, and the policies the country needs to undertake towards its strategic engagement objectives. In a number of speeches, the Minister for Foreign Affairs, Alexander Downer highlighted the

complexities and transformations of the post Cold War regional security environment, as well as its by-product of sustained rate of economic growth by a number of regional countries. The cessation of the Cold War and the breakup of the Soviet Union effectively brought an end to tensions played out earlier in the Asia-Pacific region. However it also inevitably generated a new range of regional security challenges. Such challenges came in the form of a more complex security relationship, caused by the emergence of major regional players like Japan, China, Korea, Indonesia and India; a number of unresolved issues among these countries which have the potential to develop into dispute affecting national and regional security; and a range of non military challenges like unregulated population movements which threatens not only Australia but also the security of the region (Downer 1996c). Australia was also aware of the linkage between economic development and increasing defense capabilities of the regional states, which could 'destabilize existing security patterns, heighten tension and reduce security throughout the region' (Downer 1996),

The Howard government, however, maintained that the complex regional security environment and the challenges it generates also provides Australia an avenue to play a more pro-active regional diplomatic role which would enhance its regional presence. Downer (1996e), for instance, noted that while these challenges have the potential to destabilize regional security, it also provides 'both a unique opportunity – and the need – to build new regional security architecture within the Asia-Pacific region'. However, the foreign minister felt that the new security architecture must take into account 'Asia's culture and circumstances', which are quite different from the European system (Ibid). While elaborating on the difference in the European and Asian perspectives on security, differences which for him acts as an asset for continuing stability in the region, Downer proposed that the new security architecture 'should incorporate the principles of consensus and be less formalized than Europe's collective defense arrangements' (Ibid 1996).

The liberal coalition government even discerned a sort of emerging pattern in the evolutionary phase of the new security architecture. It is a pattern which, according to Downer (Ibid 1996), 'combines bilateral, sub-regional and region-wide linkages', contributing towards 'building a sense of trust, a sense of shared interest and a sense of

shared responsibility for the region's future'. By putting the nature of the evolving security architecture in these terms, what the government attempted to do was to project Australia as an important contributor to the emerging security architecture in the region through its bilateral linkage as well through promotion and support of regional and sub-regional groupings. It also provided the government with an important demonstrative avenue to showcase its commitment towards engaging with the Southeast Asian region. This was evident in the first major review of Australia's strategic environment undertaken by the Howard government. Titled *Australia's Strategic Policy,* the document was made public in December 1997 and closely aligned with the security aspect of the government's White Paper on Foreign and Trade Policy released a few months earlier. Emphasizing the importance of Southeast Asia on Australia's strategic policy, the document noted that:

> Today's Southeast Asia is a major contributor to Australia's security. It is a region of medium powers, strong and self-confident enough to resist pressure from without, cohesive enough to cooperate, and sharing broad approaches to regional affairs which closely parallel our own. Our strategic objective is to help maintain these positive elements and do what we can to lay the foundations for further strategic cooperation to meet new challenges that may emerge. That means supporting and developing a sense of shared strategic objectives with as many of the countries of Southeast Asia as possible. This should be done through both our bilateral relationships and multilateral approaches including APEC and the ASEAN Regional Forum (ARF).
>
> (Department of Defense 1997: 21-22)

Pursuance of Strategic bilateralism

As discussed in earlier chapters, one important trait which distinguished the Howard government from its predecessors was its distinct preference towards bilateralism. While the government acknowledged the importance of regional and multilateral approaches, it is bilateralism which it believed, constitutes the 'basic building block' of foreign policy (Commonwealth of Australia 1997f: 53). It was 'basic' in the sense that, for the government, the effectiveness of regional and multilateral approaches ultimately depends upon the strong foundation provided by bilateral ties among the countries involved. The government's emphasis on bilateralism, exemplified by FTA's as

a tool of economic engagement, was already seen in the previous chapter. And in the security realm, the foundational aspect of bilateralism was emphasized by Downer when he pointed out that 'at the bilateral level, strong confident relationships provide an underpinning for regional stability and effective multilateral activity' (Downer 1996e). In that context, strong bilateral relationship with Southeast Asia was considered by the government as an important strategic asset of Australia. As *Australia's Strategic Policy* noted, 'in terms of access, contact, range of activities and volume of interaction, there is no other country inside or outside the region which has a stronger set of bilateral defense relationship in Southeast Asia than Australia' (Department of Defense 1997: 22).

Of all the bilateral relationships in Southeast Asia, the highest priority was accorded to Indonesia. Even while abandoning the connotation of 'special relationship' while characterizing Australia- Indonesia relations, the Howard government attempted to give a more rational assessment of the importance of Indonesia for Australia's national interest. As the 1997 White Paper stated, 'national interest does not change with the change of government and forging close relationship with Indonesia are among the important elements of continuity in the government's policy framework' (Commonwealth of Australia 1997f: iii). Indeed, as far as the strategic importance of a bilateral relationship with Indonesia is concerned, Australia's policy was essentially bipartisan. Relationship with Indonesia was characterized by Prime Minister Howard (1996c) as a 'building block of Australia's engagement in the region'. Similarly *Australia's Strategic Policy* identified Indonesia as Australia's 'most important strategic relationship in Southeast Asia' (Department of Defense 1997: 22).

Indonesia's strategic location, its influential standing in Southeast Asian strategic environment brought about by its population, territory, economic potential and political force, its substantial role in regional bodies such ASEAN, APEC and ARF – all these have important strategic significance for Australia. The coalition government, in a number of official statements, noted these factors in explaining the importance of Indonesia in Australia's strategic planning. The government was also appreciative of the general strengthening of shared strategic interest between the two countries as exemplified by the signing of the AMS. The agreement was signed just a year before john Howard came to office. Quite expectedly, the Howard government affirmed its support to

the agreement, concluded by their labor predecessors, and despite the controversy surrounding the secret manner in which it took shape (Brown et. al 1995). The government regarded the agreement as a proof that Indonesia views its security interest closely aligned with that of Australia and it provides an important opportunity for both countries to further strengthen their relationship (Department of Defense 1997: 22). In a number of speeches the Prime Minister as well the Foreign Minister towed along this line of thinking. While Howard (1996a) maintained that the agreement reflected a commitment of cooperation by both countries to promote regional stability in those times of strategic change, for Downer (1997b), it forms a 'key component' in Australia's 'web of bilateral security linkages with Southeast Asia'.

At the leadership level, the Howard government maintained the general consensus of appreciation of Indonesian President Suharto's role in bringing stability and prosperity for Indonesia. From Deputy Prime Minister Tim Fisher, who praised Suharto as a 'the man of the twentieth century' (Sheridan 2008); to Prime Minister Howard (1996a), who owed the 'stability and unity of Indonesia and its economic growth under the New Order' to Suharto's 'personal leadership', to policy documents which noted that 'after the turbulence of the Sukarno era, Suharto has done much to foster the regional cooperative spirit of international relations' (Department of Defense 1997: 10-11) - the liberal coalition government continued with the tradition of Australia's tactic appreciation of the Suharto Regime. And this appreciation encompassed one of the most critical elements in Australia-Indonesia relations – the issue of East Timor. As a matter of fact the Howard Government, at least during its initial years, diverged little from the general Australian policy laid down by its predecessors - that is support for Indonesia and sympathy for the East Timorese (Firth 2005: 201). The liberal coalition government continued with the line of the previous governments by recognizing Indonesia's sovereignty over East Timor. The government realized that this stand was crucial for developing good bilateral relations with Indonesia as well acquiring the material benefits of oil and gas exploration from the Timor Sea. This policy also had a domestic dimension, as the government had to constantly balance the maintenance of good relations with Indonesia with public opinion back home who, being critical of the atrocities committed by the Indonesian troops over East Timorese, wanted their country to take a more hardened stance towards Indonesia.

However this did not mean that Howard government was unsympathetic towards the East Timorese. Firstly, even as Australia maintained its official stance of recognizing Indonesian sovereignty over East Timor, the country, since the beginning of 1990's, did support the cause of greater autonomy to the province. The Howard government also followed the same line. Secondly, the Howard government also expressed concerns about the human rights situation in the province. Again this was in line with the position taken by the earlier Labor government who were critical of the atrocities of the Indonesian troops over the people of East Timor, the most gruesome being the one which occurred in Dili in 1991. Such atrocities only intensified as the liberal national coalition government in Australia came to power.

One important facet of the bilateral relationship between Indonesia and Australia was the close military to military cooperation between the two countries. Following the US refusal to maintain military cooperation with Indonesia after the Dili massacre of 1991, that gap was partly filled by Australia with substantial development of military ties between Indonesian national armed forces Strategic Reserve Command (Kostard) as well as Special Operations Forces (Kopassus) (Ibid 1999: 198). The Australia-Indonesia military ties encompassed the former's help to Indonesian forces in the form of training military officers and conducting regular air, navel and land exercises. Australia continued to build on that cooperation under the administration of John Howard. The coalition government incorporated the two committees formed in 1994 by the predecessor Labor government to develop defense cooperation between the two states into an expanded defense agreement covering logistics, science and technology, communications, interoperability, education, training and exchanges (Walters 1996:3). The government also allocated Aus$136.9 million intelligence budget for exchange of information with Kopassus in addition to planning joint exercises involving the two militaries (ETISC 1998).

However, incidents of atrocities and human rights abuses involving the Kopassus troops – whether they were directed against the pro-democracy activist in Jakarta or Pro-independence groups in East Timor – questioned the appropriateness of Australia's maintenance of military links with the Indonesian armed forces. Critics questioned such links not only on moral grounds of respecting human rights but also because it they felt it

tarnished Australia's international image. In May 1998, Australia even suspended military ties with Indonesia. The suspension came after incidents of sporadic killing of pro-democracy supporters in Indonesia as the country was undergoing large-scale social unrest as a repercussion of the financial crisis. However the suspension was temporary and was soon resumed by the government not only keeping in mind the importance of maintaining the strategic relationship but also to play a part in reforming the military that could be more acceptable to the Indonesian society. It is in keeping the latter in mind that the Australian Defense Minister John Moore, along with the chief of the Defense Staff, visited Indonesia in December 1998, with the reported aim to help the ABRI make the transition from the centre of political life (Smith 1999: 198).

Considering the history and strategic significance of the Indonesia, it was hardly surprising that the country featured so prominently in Australia's bilateral relationships. In fact, no Southeast Asian country other than Indonesia featured in the 1997 White Paper's promotion of bilateralism, even though it did make a passing reference to the importance of maintaining relations with 'other ASEAN states' (Commonwealth of Australia 1997f: 57). The 1997 *Strategic Policy* however mentioned the importance of close relationships with countries like Malaysia, Singapore, Thailand, Philippines and Vietnam for Australia's strategic interest. From Australia's point of view, such bilateral relationships were important for endorsing the idea that the strategic interest between Australia and the countries of the region are actually 'aligned' and they should work together to promote that interest. Stressing on the key historical role that Australia played for the security and development of the defense forces of regional states like Malaysia, Singapore and Thailand, the government noted the importance of such historical links in laying the foundation of Australia's constructive engagement with the region in future. Various avenues for such engagement were identified, such as regional states' access to training facilities in Australia, Australian assistance to their armed force modernization, and interoperability of the ADF with the militaries of the regional states (Department of Defense 1997: 22-23). In this regard, Australia recognized the importance of developing security links with Philippines in the process of strengthening the security of the region. In November 1997, officials from Australia and Philippines held the first meeting of a formal dialogue on regional security issues in Manila. This formal exchange was,

according to Foreign Minister Downer (1998c), an important development in the bilateral relationship and a step forward in building a series of interlinking dialogues for the promotion of regional security. Besides Philippines, Downer also announced new security dialogues with Thailand and Vietnam, involving high level Australian officials from both foreign and defense ministries, a process which, according to the Foreign Minister, represents 'real strengthening of regional security cooperation' (Downer 1997a).

Regional Approach to Engagement: Support for ASEAN and ARF

At the sub-regional level, the government projected its regional engagement through its commitment towards the Five Power Defense Agreement (FDPA). It regarded the FDPA as an important mechanism of building cooperation and trust which can contribute positively to the emerging regional security environment. From an Australian perspective, FDPA continues to remain an 'effective and valuable element of Australia's regional defense presence' and also embodied the country's non-reciprocal commitment towards the security of Malaysia and Singapore from external aggression (Department of Defense 1997: 23). It is this commitment - whether in the form of supporting the Integrated Air Defense System (IADS) or the presence of ADF units in Malaysia and Singapore for exercises – which, according to the Howard government, forms 'an effective symbol' of the strength of Australia's engagement in Southeast Asian security (Ibid: 23).

However, at the same time, the government also made clear that Australia does not relate to its regional neighbors solely on a country to country basis. Therefore, the government put credence on the role of ASEAN and ARF on maintaining regional security and stated the need for Australia to collaborate with these two institutions as it seeks to develop a culture of cooperation with the regional nations joined by common security interest. As Foreign Minister Downer (1997b) pointed it

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> …the Australian government has no higher foreign policy priority than to contribute to the evolution of our region and there is no better way of doing it than through the establishment of close and supportive links with ASEAN…

Referring to ASEAN's role in the region, the minister would describe the organization as a 'symbol of prosperity and success', whose greatest achievement has been its 'capacity to promote stability among its members' (Ibid 1996). He also attributed to the organization the wholesale transformation of once 'world's most politically tumultuous region' to one characterized by 'longstanding stability' (Ibid 1996). Such comments came at a time when the organization itself was undergoing a major transformation, brought about by the question of including Myanmar and the Indo-Chinese states. The inclusion of such states was after all in consonance to the ASEAN vision of incorporating all the nations of Southeast Asia to the organization. However, while the incorporation of Brunei (1984), Vietnam (1995) and Laos (1997) were extremely smooth, membership to Myanmar and Cambodia was clouded with a lot of controversy and hardship. ASEAN, which admitted Myanmar in 1997, had to face a lot of flak from western governments and at the region, for giving membership to a country engulfed with domestic turmoil brought about by gross human rights violation. Australia, on its part, accepted Myanmar's entry to ASEAN, but did so reluctantly after some high level representation against the process failed to bear any fruit (Trood 1998: 186). Nevertheless, the government welcomed the overall expansion of ASEAN to nine members brought about in the July 1997 ASEAN Ministerial Meeting in Malaysia, calling this a 'turning point' in the organization history (Downer 1997b). Probably the reference was to the challenge facing ASEAN of integrating the new members in a way that would foster regional stability. This was what Downer indicated when he stated that, while Australia like the rest of the international community is deeply concerned over the situation in Burma, he hoped that ASEAN countries could endeavor to ensure that the country can contribute to the political and economic success of the members of ASEAN (Ibid).

Australia also acknowledged the central role of ASEAN in the Cambodian membership issue and supported the organization's decision to postpone Cambodia's inclusion due to deteriorating political situation in the country, brought about by infighting between the country's two Prime Ministers Hun Sen and Prince Ranariddh. Australia sided with ASEAN's observation that events in Cambodia had a negative impact on regional peace and stability and including the country under such

circumstances would undermine the association's credibility. Downer (1997a) lauded ASEAN's handling of the issue as a 'display of great maturity and skill', as deferring Cambodian entry under the circumstances was a 'difficult decision well taken'. Australia itself conducted a flurry of activities to show its displeasure to the happenings in Cambodia. It condemned Hun Sen's attempt to militarily overthrow Ranariddh that forced the latter into exile. Australia's interest was also at stake as a number of Australian citizens at Cambodia were caught up in the strife requiring an air rescue operation. Canberra suspended defense cooperation with Cambodia, cancelled its foreign minister's scheduled trip to the country but dispatched Mr. John Dauth, a senior diplomat to Phonm Phen, to reinforce its message of displeasure (Trodd 1998: 193). At the same time, Australia played an active part in restoring the law and order situation and holding fresh elections in Cambodia, largely siding with ASEAN diplomacy in this process. Downer (1997b), in fact, stated that the Cambodian issue was a test of ASEAN's 'political model, its flexibility and adaptability', as well an opportunity to reveal its diplomatic capabilities to play a constructive role to find a peaceful and democratic solution to the problem. Apart from the substantial financial assistance towards the electoral process as well as the return of the displaced population, Australia was a part of an informal adhoc group, 'Friends of Cambodia' along with Canada, China, the EU, Japan, New Zealand, Russia and USA. The group made regular consultations with the ASEAN 'trioka' – another informal achoc group consisting of Domingo Saizon (the then Philippines Secretary of Foreign Affairs); Prachuab Chaiyasaran (the then Thai Foreign Minister) and Ali Alatas (the then Foreign Minister of Indonesia) – to work on issues such as the cessation of violence, the fate of Raniriddh, the holding of free and fair elections and participation of all parties in those elections (Severino 2006: 62). And despite being critical of Hun Sen's actions, Australia was aware of his importance in restoring normalcy and consequently lined up with ASEAN in backing the Cambodian leader. Canberra also supported the later ASEAN move to admit Cambodia to the organization in 1999, even as the association itself remained divided over the timing of Cambodian membership[50].

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[50] The division in ASEAN revolved around the issue of whether Cambodia should be admitted to the organization in its Hanoi summit in December 1998 or later. While Vietnam, Malaysia, Indonesia and Myanmar favored an immediate Cambodian admission at the Hanoi summit, Philippines, Singapore and Thailand favored to wait. Eventually the ASEAN leaders reached a compromise whereby admission of

Australia also applauded ASEAN for its contribution to the development of the most important regional arrangement in security affairs – the ASEAN Regional Forum or the ARF. In a number of speeches, foreign minister Downer would commend ASEAN for imparting its experience in management of inter-state relations to the regional forum. Consequently, the government believed that the ARF, which is still in its 'infancy' (the forum was on the second year when the Howard government came to power), has already proved to be the 'most comprehensive framework' for security dialogue in the region (Downer 1996c). While expressing its support for the regional forum in developing habits of dialogue and strategic cooperation among the member-states towards the development of shared strategic interest (Downer 1996f; 1996c), the coalition government maintained that along with bilateralism, its support for the ARF as demonstrative of the country's engagement with the region and commitment to regional security (Department of Defense 1997: 25). The government also stated that Australia's support for the ARF - which strengthens linkage not only between Australia and Southeast Asia but also among other powers like USA, East Asia, China and Japan - is very much in the country's own strategic interest as it provides Australia a say in the manner as to how the regional security environment is shaped (Ibid: 25). The government wished that the ARF evolve as a mechanism that could contribute to regional peace and stability through the adaptation of 'practical cooperative measures' (Downer 1996b). This reference to practicality was a reflection of the Australian desire to see the ARF make a practical contribution to resolution of disputes among member states, even as it retains its uniqueness of operating in a region which has its own peculiar history and dynamics. As the foreign minister Downer (1996e) himself pointed out, that while the development of bilateralism in the Asian context is quite familiar to that of Europe, the evolution of multilateral institutions like ARF has a distinct uniqueness of its own. Clearly, the mechanisms that characterize the ARF - such as minimal institutionalization, decision making through consensus and frequent consultations - are quite distinct from the highly structured negotiations that can be attributed to European institutions. Downer (1996c)

Cambodia was deferred to a later date while the membership ceremonies were to be held in Hanoi (which eventually took place in 30 April 1999).

maintained that Australia intends to see ARF develop 'in its own way and in its own time', and not become a sort of a collective defense arrangement like the NATO.

But Australia did recognize the need for the forum to evolve itself in contributing in the domain of dispute resolution, even though it was pleased by the way in which the first two levels of ARF's activities – confidence building and preventive diplomacy – were shaping up. Australia was pleased by the way in which the 'confidence building' initiative of the ARF was taking shape towards the development of shared strategic interest' (Downer 1996g). The coalition government was appreciative of the fact that ARF became a platform for security dialogues on Burma and Cambodia. For Downer (1997b), it was indicative of ARF's willingness to take up sensitive issues, and the forum's support for ASEAN policy of deferring Cambodian membership was a sign of the institution 'growing in maturity'. Besides this, other ARF confidence building measures - such as inter-sessional meetings, publications of defense white papers, military exchanges such as staff college training, notification of military exercises and sending observers to these exercises - they are all reinforcing transparency in the region. Australia itself, along with Brunei, co-chaired the 1997-98 meetings of the inter-sessional Support Group on Confidence Building Measures (ISG on CBMs). This was the first time that Australia co-chaired an official ARF activity which according to the government 'demonstrates Australia's strong and enduring commitment to the ARF' (Downer 1998a). The Foreign minister also highlighted the role the Australian Defense Force (ADF) plays in Australia's closer engagement with the region, even while furthering the objectives of the ARF. Through its network of people to people links and contacts, the ADF, according to Downer (1998b), have contributed to 'building the sort of transparency and mutual trust which Australia is seeking to promote in regional forum such as the ARF'. Overall, Downer (1998a) pointed out that while Australia is supportive of the ARF's agenda, the latter needs to further evolve towards contributing in the avoidance of regional differences and disputes through an agreed mechanism by the member-states.

The Howard government held the view that all three elements – bilateral, sub-regional and regional – of the multifaceted approach to Australia's regional security cooperation are 'mutually reinforcing' and the government will 'work on them simultaneously' (Downer 1996c). These three elements, along with US strategic presence

in the region (which will be discussed in the next chapter), also forms a growing web of regional relationships in which Australia has a very 'crucial place' (Downer 1996g). However in hindsight, it was clear that despite references to, what the government called, a 'multifaceted approach', it was bilateralism which was Australia's utmost policy priority. So much so that Australia viewed the multilateral approaches as a means to further the end of effective bilateral relationships. This was evident in the manner in which the country perceived regional mechanisms such as the ARF. Even though Australia was quite appreciative of the fact that a security dialogue forum like the ARF could take shape in the region, with a little history of security cooperation, it was also aware of the limitations of the forum. While Australia was pleased that the ARF discussed sensitive issues like Burma and Cambodia, it was also aware of the fact that an agreed mechanism for conflict resolution was still a distant possibility. This apprehension prevailed even in 2003, when the government's second White Paper *Advancing the National Interest*, while accessing the utility of the forum, noted that, 'while the ARF made modest gains in building a sense of strategic community…efforts to develop tools of preventive diplomacy and conflict management have faltered' (Commonwealth of Australia 2003: 77). Even with the limited success that the ARF achieved, the government projected these achievements as a means in furthering the ends of bilateralism. As the Foreign Minister Downer, in a speech in 1996 stated, 'the ARF creates a right atmosphere and framework for bilateral linkages to flourish….through a new regional layer to security relationships that helps in the management of issues at the bilateral level' (Downer 1996g). However, by the late 1990's, this bilateral element of Australia regional security cooperation would come under severe stress, as the country's all important relationship with Indonesia deteriorated over the former's involvement in the independence of East Timor.

Australia's Regional Coalition Building in East Timor

Ever since Indonesia's brutal occupation of East Timor as its 27th province in 1975, the latter has been a very crucial and sensitive issue in Australia's bilateral relationship with Indonesia. While Australia deplored the way in which the occupation took place, it also held the process as irreversible, and a fact which everyone in the region

should adjust with. Australia initially gave *de facto* followed by *de jure* recognition to Indonesian occupation of East Timor. It did so even as the UN General Assembly refused to recognize Indonesian sovereignty over East Timor and continued to regard the province as a Portuguese dependent territory. The need to maintain a stable bilateral relationship with Indonesia conditions much of Australia's policy towards its nearest neighbor. This relationship was vital to Australia on many aspects. As the closest country in Australia's northern region, any instability in the Indonesian archipelago was also a strategic challenge to Australia. Along with that, Indonesia was also a key country in Australia's engagement policy with Southeast Asia – a policy which was given prime importance in the official policy circles since in mid 1980's. As the largest ASEAN country, Indonesia's support was vital to Australia's regional interest, more so since Australia experienced a tremulous relationship with another key regional state Malaysia. All these factors played in the minds of Australian policy makers in formulating the country's Indonesia policy as well as its stance on the East Timor issue. However, Australia's support for Indonesia was not done by turning a complete blind eye at the developments in East Timor. Other than deploring the way in which the East Timor occupation took place, Australia was also sympathetic to the East Timorese right to self determination. Australia expressed concerns about the gross human rights violation in the province, conducted by the Indonesian militia. Successive Australian governments did raise these issues in talks with Jakarta, but they were reluctant to press matters to the extent where the broader relationship with Indonesian might be put under strain (Goldsworthy 2003: 218). For Australia, the human rights issue in East Timor also had a domestic dimension, as successive governments had to cope with popular perception back home that were sympathetic towards the East Timorese, denouncing the forceful Indonesian occupation of the province.

Over the years, the broad contours of Australia's Indonesia policy remained more or less the same – recognition of Indonesian sovereignty over East Timor, sympathy and financial aid towards the East Timorese, and an acute balancing act between maintaining stable relations with Indonesia while assuaging domestic opposition towards their northern neighbor. And Australia played out this policy quite successfully. Relations between Australia and Indonesia remained strong, especially during Keating's Prime

Ministership, riding on very strong personnel rapport he developed with Indonesian President Suharto, eventually leading to a landmark security treaty between the two nations in 1995. And while there were domestic public protests over human rights atrocities directed against East Timorese, popular perception critical of Indonesia were never strong or important enough to warrant any significant change in Australian course of action.

The liberal coalition government of John Howard also followed the same course. The government labeled Indonesia as Australia's 'key' bilateral relationship and the 'building block' of regional engagement (Downer 1996b). It gave its support to the security treaty concluded by the predecessor labor government in 1995, as indicative of both nations commitment to regional security (Howard 1998). And in none of the official pronouncements in the early years of the coalition government, one could find a major departure from the generally established stand taken by Australia over East Timor. Interestingly, the factors which conditioned a dramatic shift in Australia's position on East Timor were primarily externa,l over which Australia hardly had any control. This shift was initiated by the 1997 Asian financial crisis, whose repercussions for Indonesia went beyond economic aspects to effect large scale transformations in the country's political structure. By 1998, the crisis worsened, as rising inflation and unemployment led to frequent student protests, rioting and clashes between the demonstrators and the Indonesian military leading to a serious deterioration of law and order. President Suharto had to face pressure not only from the Indonesian public, a majority of whom held him responsible for the country's crisis, but also from foreign lending agencies like the IMF, whose bailout packages were conditional on Indonesia reforming its financial system and liberalizing its economy. The president finally succumbed to those pressures and resigned on may 1998 to be succeeded by his vice president B. J. Habibie. The Howard government, which earlier lauded President Suharto's New Order for bring stability and economic growth in Indonesia, was keenly following the developments happening in the country. Australia was aware of the potential ramifications of a security breakdown in Indonesia which, it thought, could have significant impact on trade, population movements, and security (Scott 1998: 555). But Australia, under the Howard government, steered clear of expressing any views on Suharto's leadership or Indonesia's

domestic political developments during the period of turmoil, other than asserting the importance of stability in the country. However on 19th May, the very day Suharto announced his decision to retire, the Australian Prime Minister welcomed the announcement and endorsed the proposed orderly transition of power, stating that it will give hope to people within Indonesia 'who are looking for a more open society' (Howard 1998).

Despite being a part of the Suharto's government, Habibie was more receptive to change and set in motion a wholesale reassessment of the policies and institutions of the new Order (Goldsworthy 2003: 223). It also brought the issue of East Timor to the forefront of Indonesian politics, even as an uncertainty clouded over the status of the province. The collapse of the Suharto regime, followed by Habibie's penchant for reforms, gave a new surge of hope to the pro-Independence groups who reasserted their demands for a referendum on East Timor. However, they faced considerable opposition from the pro-integrationist group, who called for autonomy of the province within Indonesia. The new government's official direction of East Timor policy became clearer in June 1998, when Habibie agreed to grant East Timor a 'special status' within Indonesia under the condition that the province is recognized as an integral part of Indonesian territory (BBC News 1998). Habibie was in any way more receptive to the ideas of political reforms, regional autonomy, human rights and western assistance to Indonesia, than his predecessor Suharto did. Thus one reason for him to agree to the special status offer was the restoration of the IMF aid which the country badly needed in times of crisis (Anwar 2010: 99-100; Kelton and Leaver 1999: 528). The East Timorese leaders rejected the offer as it included a non-negotiable condition, with Jose Ramos Horta, the exiled vice president of the National Council for the Timorese Resistance, pointing out that the offer is nothing new and only intends to convince the UN to recognize Indonesia's annexation of East Timor (BBC News 1998).

However, from the Australian point of view, Habibie's offer was a right step in the country' declared position that called for a greater East Timorese say in their affairs while maintaining that the best outcome for the province would be to remain a part of Indonesia. The Howard government therefore sensed in this development an opportunity to resolve the East Timor issue which have been a constant source of irritation and

controversy in Australia - Indonesia relations. In order to break the stalemate between Jakarta's offer of autonomy as a precondition for integration, and most of the East Timorese representative's views that the autonomy issue should be decided by the East Timorese themselves, Australia believed that the best course of action would be for Indonesia to offer a lengthy period of autonomy followed by an act of self determination. Australia came to this conclusion after an elaborate consultation process it undertook with a range of East Timorese representatives, with an aim to agglomerate their opinions about the best possible way forward. Australia's proposal was based on the Matignon and Noumea accords, signed between New Caledonia and France, which ended the civil war between the two parties and initiated a period of autonomy while delaying the referendum by 30 years. For Australia, such lengthy autonomy period would give authorities sufficient time to persuade East Timor to stay with Indonesia (Goldsworthy 2003: 225). John Howard put down these observations in a letter to Indonesian President Habibie in December 1998. The Australian Prime Minister appreciated the special status offer by Habibie as a 'bold and clear-sighted step' which opened up an opportunity for the peaceful settlement of the East Timor problem (Connery 2010: 147). However, he went on to express apprehension about the lack of progress in the UN sponsored negotiations which, in his view, was a result of the lack of representation of the East Timorese themselves. Howard pointed out that 'the issue can be resolved only through direct negotiation between Indonesian and East Timorese leaders', and if done likewise, 'the international dimension would take of themselves' (Ibid: 148). Even during that time, the Prime Minister made clear Australia's official position as that of supporting Indonesia's sovereignty over East Timor. However, as the demands for self-determination was growing strong among the East-Timorese, the Howard letter concluded by proposing that Indonesia addresses this desire 'in a manner which avoids an early and final decision of the future status of the province' which would 'allow time to convince the East Timorese of the benefits of autonomy within the Indonesian Republic' (Ibid: 148). The Howard letter marked a major transformation of Australia's policy towards the East Timor issue. The Australian Foreign minister himself characterized the contents of the letter as a 'historic policy shift on East Timor', from a long standing position of viewing the Indonesian annexation of East Timor as irreversible, to one where it was open to the idea

181

of self-determination, even though Australia wanted it to happen in a not so immediate future (Downer 1999a).

The Howard letter proved to be a major catalyst behind Habibie's eventual decision of granting the East Timorese the right to choose between autonomy and independence even though the Indonesian President did not agree with all the proposals made by the Australian Prime Minister. Habibie refuted the Matignon concept in the context of East Timor, not only because of its colonial underpinning but also as it would drag the final solution of the issue, as Habibie felt that Indonesia cannot afford to bear the burden of sustaining East Timor during the lengthy autonomy period if the province was anyways going to opt for independence at the end. Habibie preferred a quick fix to the issue as he believed that Indonesia cannot afford to concentrate only on one province and become a victim of the 'tyranny of minority' and that for him, 'if after 22 years the East Timorese people cannot feel united with the Indonesian people', then it would be best to seek an honorable solution (Kelly 2010: 490-91). Nevertheless, Habibie supported Australia's argument about the need to engage directly with the East Timorese representatives and agreed to meet the bishops. He also welcomed Howard's approach as a genuine Australian interest in resolving the East Timor issue even though he made it clear that Indonesia would not be dictated to by anyone on East Timor (Goldsworthy 2003: 229). Australia's proposal manifested in the Tripartite Talks involving Indonesia, Portugal and the UN which, on 5th May 1999, decided to provide the East Timorese the right to vote on the autonomy proposal. The responsibility of security lay entirely in the hands of Indonesia, as Habibie rejected the presence of any international peace keeping force but agreed on the presence of a civilian police force (CIVPOL) – whose adequate number is to be decided by the UN – to act as advisers to the Indonesian police. The 5th May agreement made way for the establishment of the United Nation Mission on East Timor (UNAMET) to supervise the ballot. The mission was led by Ian Martin from UK, while Australia provided a significant contingent in the civilian police force (CIVPOL) including its commissioner AFP officer Ian Mills. Australia also contributed a small delegation of ten election observers, with Deputy Prime Minister Tim Fisher as leader, and including the shadow foreign minister Laurie Brereton along with other parliamentarians and DFAT representatives. Australia was also the largest donor to the

trust fund established to support the UNAMET, made a significant contribution to the mission's program, and allowed Darwin to be used as a logistics base and training ground (Cotton 2004: 93). The voting was held on 30th August 1999, where an overwhelming majority (78.5%) rejected the Indonesian offer of special autonomy and voted for Independence (Goldsworthy 2003: 236). The results of the voting were followed by a large scale campaign of violence, directed against the East Timorese by the Pro-integration militia with the assistance of the Indonesian armed force (TNI).

Ever since the special autonomy issue became public, Australia was concerned about the violence and intimidation in Indonesia by the pro-integrationist forces against independent supporters as well as civilians. Australia made a number of representations in Jakarta about the deterioration in the law and order in the country which the Indonesian police and TNI were supposed to maintain. In fact, Australia was aware of the involvement of ABRI and their Special Forces command Kopassus in the creation and direction of militia groups (Goldsworthy 2003: 237). But the government refrained from making any public accusations lest it jeopardize bilateral relations besides halting the process of referendum which Habibie initiated. Anyways, Indonesia's official policy was always that of denial, both of the extent of violence and the involvement of armed forces in the same. Following the Tripartite talks of April 1999, which agreed on voting over the East Timor autonomy issue, Australian Prime Minister being aware of the deteriorating law and order situation in East Timor, made representations about TNI behavior and also insisted Habibie to accept an international peacekeeping force to monitor the ballot which the Indonesian President bluntly refused (Ibid: 240). While the Prime Minister was aware of the unlikely possibility of Indonesia accepting a peacekeeping force, the fact that he raised this issue with Habibie was a reflection of Australian concerns about security both before and after the ballot and skepticism about the Indonesian police and army to control the situation. These concerns became a realisty when extreme violence broke out in Dili on the result day of the ballot forcing the UNAMET staff to pull out. However what was not anticipated by Australia or the UN was its scale and intensity which, in the words of the Prime Minister himself, 'caught him by surprise' (Goldsworthy 2003: 245). The violence was not anarchic and had clear goals behind it – to get rid of East Timor as

quickly as possible of the foreign presence, to wreck vengeance on independent supporters and seed a warning to other secessionist regions in Indonesia (Ibid: 245).

Australia expressed deep concerns about the violent accesses and the resulting displacement of the East Timorese to the Indonesian President and urged him, as it did earlier, to allow an international peacekeeping force. Habibie, under pressure due to the worsening situation, made the acceptance of the international force conditional on the failure of the Martial law, which he imposed to bring things under control, rather that bluntly refusing the proposal as he did earlier. In the meantime, Indonesia cooperated with Australia in the airlifting of the East Timorese and Australian citizens as well as the UNAMET personnel from the territory. The withdrawal of the UNAMET staff left the territory on its own as it witnessed continued killings, destruction of property and forced relocation of the East Timorese with direct military or police involvement (Ibid: 245). With continuous Australian representations, along with warnings from the US and the IMF of economic sanctions if Indonesia fails to curb the violence, Habibie finally bowed to the pressure and announced on 12th September to allow a peacekeeping force to East Timor. In 15th September, the UNSC authorized the establishment of a multinational force named INTERFET (International Force on East Timor) under resolution 1264, for restoring peace and security in East Timor, protecting and supporting UNAMET in carrying out its tasks and to facilitate humanitarian assistance operations (Cobb 1999).

Australia, to an offer by the UN Secretary General Kofi Annan, agreed to lead the multinational force. The country also provided Major General Peter Cosgrave of the Australian Army as the Commander of INTERFET along with over 5,500 personnel and logistical requirements (Goldsworthy 2003: 252). The INTERFET operation commenced on 20th September 1999 and was a considerable success. It secured the main towns and the border with West Timor, extended protection and humanitarian assistance and began the task of restoring essential services (Goldsworthy 2003: 252). After Indonesian security and civic officials withdrew from East Timor, UNAMET re-established its headquarters in Dili on 28th September 1999. In the following month, Indonesia formally recognized the results of the referendum, paving way for the establishment of the United Nations Transitional Administration in East Timor (UNTAET), to take care of the administrative, humanitarian and security tasks for capacity development of the East

Timorese to govern themselves, and establishing the conditions for sustainable development (Cotton 2004: 79). The UNAMET remained in force till 20th May, when East Timor independence was formalized. Australia again provided a substantial body of force for the UNTAET, component numbering around 1500-2000, including Major General Michael Smith as deputy to Force Commander Lieutenant General Jamie de Los Santos of Philippines. Australian troops also remained back becoming part of the United Nations Mission of Support to East Timor (UNMISET), established after the independence of East Timor to assist the province in attaining self-sufficiency.

The East Timor episode brought into fore, among other things, Australia's regional position and its impact on the country's strategic engagement policy. Firstly, the East Timor issue showcased Australia's leadership role in carrying forward a multinational coalition towards a successful operation. From the time Australia was bestowed with the task of leading the INTERFET, the country undertook considerable diplomatic effort in rallying together a coalition of the willing who would be participating in the mission. Even though 22 countries including USA were involved in the operation, it was the regional participation, especially from South East Asia, that was most crucial for Australia in dealing with the sensitivities of Indonesia. This was primarily due to the fact that even as Indonesia bowed to international pressure in admitting international peacekeepers in the territory, Habibie hinted that any indication of unilateral action by Australia would be considered an act of war (Cotton 2004: 74). In addition to that, Malaysian Prime Minister Mahathir Mohammad's outspoken comments against Australia's involvement in regional affairs meant that two prominent members of ASEAN would keep a close watch on Australia's activities. In such a scenario, a strong regional component was crucial to legitimize Australia's leadership role, lend the force some sort of credibility and remove the impression of the operation resembling an instance of western interference in regional affairs (Goldsworthy 2003: 250; Cotton 2004: 73). Australia undertook a substantial diplomatic effort towards this objective, as Air Marshall Riding met his counterparts in Singapore, Thailand, Philippines, Brunei and Malaysia (Goldsworthy 2003: 250). Even with bilateral relations with Indonesia on the line, most ASEAN states responded positively. At the forefront of this regional commitment was Thailand. At the first place, Thailand actively collaborated with

Australia in soliciting regional contribution to the INTERFET. Thailand also provided Cosgrave's Deputy Commander for INTERFET, Major General Songkitti Jagabatara, besides 1600 troops, which was the second largest national contingent after Australia (Coton 2004: 71). Singapore contributed a stand by medical unit along with two landing crafts capable of carrying tanks. Philippines dispatched non-combatant emergency and medical units underlining the same as 'humanitarian task force'. Malaysia oscillated its position from an initial 'substantial' contribution to minimal or no contribution at all. With the intervention of Thai Foreign Minister Surin Pituswan, Malaysia eventually contributed around 30 officers, commanded by a Brigadier General. While the commitment of the regional countries was keeping in view that it does not impact their bilateral relations with Indonesia, the composition of the commitment also reflects their capacity in providing force in an international peacekeeping operation. The strategic reality of most Southeast Asian countries was that as most them were preoccupied with internal threats, their forces though numerous had been trained and configured to operate close to home and with supplies at hand (Cotton 2004: 73). However their involvement, in whatever form, did send a political message of acceptance of working under Australia's leadership in a peacekeeping operation in their own region. This was also helped by the history of Australia's successful peacekeeping record in other parts of the region – whether it is in Cambodia or Bougainville.

Secondly, bilateralism also played a part in ASEAN states' participation in the INTERFET operation. Even though the humanitarian factor – to stop the systemic violence induced on East Timorese – happened to work the most in the international willingness to participate in the INTERFET, it could be argued that Australia's bilateral relations with most of the regional contributors too played a role (Ibid: 71). After USA withdrew its military bases from Philippines after the Cold War, Australia filled in the gap, and since then both countries shared close defense collaboration with each other. Thailand also received assistance from Australia in the former's reconstruction of the armed forces. Australia provided Thailand the much needed rescue package when the latter was hit by the financial crisis. Australia also endorsed Thailand's candidate Supachai Panitchpakri as the Director of WTO, and during a deadlock between him and New Zealander Mike Moore, Deputy Prime Minister arranged a deal with USA under

which both candidates divided the term of directorship (Albinski 1999: 204). Australia's ADF enjoys a good relationship with Singaporean Armed Forces. Such bilateral relationship did help Australia gain regional acceptance to lead the peacekeeping force. It also lend weight to the remark made by Downer (1996b), at the beginning of the liberal coalition's term, that multilateralism becomes far more effective when countries within them have strong bilateral ties.

Thirdly, Australia's involvement in East Timor provides a valid case to justify Australia as a middle power. Incidentally, one distinguishing feature of the coalition government was its rejection of Australia's characterization as a 'Middle power'. Both Howard and Downer were of the opinion that labeling Australia as a 'middle power' does not synchronize with a much greater role the country is capable of playing in international politics. Alternatively, Downer used the notion of 'pivotal power', in terms of Australia's economic strength and advances in military technology. While it is not uncommon for policy makers to adopt new conceptual rhetorics, in order to distinguish themselves from their political opponents, in this case it also exposed some of Howard's contradictions. While Downer based his 'pivotal power' thesis on Australia's material capabilities, Australia's coalition building role in INTERFET was actually symbolic of the way middle power behavior is characterized. In any case, Downer's (1996a: 3) characterization of Australia as a pivotal power, equipped to 'play a vital role in the world', didn't pass the test when we look at the country's diplomacy towards Indonesia in the pre-ballot period in East Timor. Despite all the potential that Downer believed Australia's possesses, the country looked helpless as it could not pressurize Indonesia enough to either prevent the violence or accept international peacekeepers before the ballot. And this was in spite of being aware of the high probability of violence after the ballot which Indonesia couldn't or had no desire to control. Rather, Australia's leading role in the INTERFET was a good case of a successful coalition building effort with likeminded countries – a defining characteristic of middle power diplomacy. Such contradictions also bring out the irony behind the conceptualization of Australian diplomacy. While the government rejected the 'middle power' label, the nature of challenges that Australia confronted in the post 9/11 period actually required a strong

coalition building approach, which is a typical characteristic of middle power behavior (Ungerer 2007b: 550).

Deterioration of Key Bilateral Relationship: East Timor and the issue of Asylum Seekers

One adverse effect the East Timor episode had on Australia's strategic engagement was its fallout with Indonesia – a country which probably had the greatest importance on Australia's strategic outlook during the Howard years. It rapidly deteriorated the state of Australia - Indonesia bilateral relations and gave the coalition government perhaps their biggest foreign policy dilemma as to how best to deal with Indonesia (Gurry 2001: 7-8). The government sought to project Australian diplomacy by adopting a somewhat two pronged approach.

On the one hand, it sought to give a message to the region that Australia's role and contribution in East Timor was actually a manifestation of the country's commitment to the region. The government projected its role as a major foreign policy triumph, which proved the country's value to the region. It was also showcased as an example of Australia's successful coalition building capacity with regional partners to make a constructive and practical contribution to regional affairs (Commonwealth Parliamentary Debates 1999: 11025). Foreign Minister Downer (1999b) justified these assertions in the following terms:

> In reviewing the international response to events in East Timor, it is clear that no other country could have matched Australia's leadership role. We were active at every stage of the diplomatic effort that led up to East Timor's vote on autonomy, and in its aftermath. Australia has put more than 5,000 members of its armed forces on the ground in East Timor, backed by many more in the skies and seas around the territory and in support functions back in Australia. We have committed over $70 million in humanitarian aid for the East Timorese this year, and have assisted relief efforts by international agencies and other countries in other ways. And Darwin has for many months been the main staging area for all aspects of the international effort in East Timor. Many other nations may have been able to match some of these initiatives, but none could have matched them all.

Australia also garnered a lot of praise from the UN for its leadership role. The then UN general Secretary Kofi Annan, in showing his gratitude to Australia's crucial role stated that, 'If Australia had not been nearby and offered to lead and shown the leadership …we probably would have got to ET a couple of months later…too late to pick up the pieces' (Albinski 2000: 536). The East Timor episode also delivered Australia a domestic political triumph, considering that a significant part of the population back home were very vocal against Indonesian atrocities in East Timor. Following the successful INTERFET operation, the Foreign Minister even made it a point to turn back towards his domestic constituencies saying that, 'Australians can take considerable pride in how we responded to the historic challenge that events in East Timor placed before us' (Downer 2000a: 8). On the other hand, the government attempted to a give a very realistic assessment of the East Timor's impact on Australia – Indonesia relations, one that would be beneficial to both nations going forward. In September 1999, Prime Minister Howard, in a speech to the House of Representatives pointed out some 'home truths' about Australia's place in the region, one of which is that 'foreign policy needs to be based on a clear sense of the national interest and on our values' deluding ourselves from 'sentiments' or 'special relationships' (Commonwealth of Australia 1999a). In a number of speeches made aftermath, both Howard and Downer would elucidate these twin concepts of 'national interest' and 'values', and sought to justify Australia's Indonesian policy under these terms. Downer for instance, stated that, 'Australia's policy in East Timor is clearly in line with our national interest', as the presence of East Timor makes the bilateral relationship very 'lopsided' and 'unbalanced', and as a result of Australian action both sides can now move on to resolve past tensions and have a more balanced and stable relationship (Ibid 1999). In the same vein, Howard would point out that Indonesia's strategic importance, as well as the enormous challenges and complexities the nation faced post the financial crisis, does not mean that Australia's necessity to establish a stable relationship with Indonesia should be at the cost of ignoring the nation's fundamental values (Ibid 1999). The Prime Minister was also forthright in saying that the relationship will take a while to rebuild. At a Press Conference in 2000, he pointed out

You can't do what we did in relation to East Timor and then expect within a blink of an eyelid that the relationship with Indonesia be back to where it was. It will never be the same and that's not necessarily a bad thing…..What has happened has happened for the best of reasons both in terms of principle and the Australian national interest but we will have in the fullness of time we will have a different relationship with Indonesia, but it will be on a sounder footing of mutual self-respect

(Howard 2000a)

These hopes rested on the Prime Minister's assertion that 'the bread and butter of the relationship is still quite good', and both nations can put this issue behind and move towards a more stable relationship (Ibid 2000).

Indonesia however didn't buy such Australian optimism and saw the latter's role in East Timor with considerable resentment. Australia's actions also sowed the seeds of suspicion in Indonesia about similar intervention in other separatist prone regions of the country. Indonesian officials saw Australia as the principle reason behind Indonesia's international condemnation, and the resulting formation of UNAMET, and even viewed the workings of the mission as biased towards the pro-integrationist side of ET. Post ballot, Indonesia had to accept the deployment of INTERFET,which the country did under a lot of duress, and in the event brought to a head the anger in Indonesian political circles at Australia's perceived arrogance and disregard for Indonesian interest that had been mounting throughout the year (Goldsworthy 2003: 253). They regarded Howard's policy shift as a case of Australia not only betraying Indonesia but also hurting the dignity of the latter by violating its sovereignty (Goldsworthy 2000: 229). Earlier Habibie, who in receiving the Howard letter was forthright in his assertion that Indonesia won't be dictated to by Australia, privately threatened to declare war against Australia if the latter sends troops to East Timor without his permission (Goldsworthy 2003: 253). Indonesia couldn't prevent INTERFET deployment, but four days before the international force were to enter East Timor territory, Indonesian government abrogated the Agreement in Maintaining Security (AMS) citing Australian unhelpful attitude and action, marking an end to the defense relationship painstakingly constructed since 1960's (Cotton 2004: 139). On 22nd September, two days after INFERFET began operation, Habibie, in an address to the Indonesian Parliament, accused Australia of over reacting to

the events and causing deterioration of the bilateral relationship (Baker 1999: 84). Indonesian media ran stories depicting brutalities committed by Australian forces against the captured militia and even suggested other hidden motives behind Australian actions such as territorial gains. After a report of fire exchange between Australia and Indonesia on East Timor border, Dr Amien Rais, the head of the Indonesian People's Consultative Assembly, threatened to 'wipe Australia-led peace-keeping forces out' if they enter West Timor (Tenenbaum 1999). Demonstrators targeted Australian embassy in Jakarta as well as consulates and business centers in other cities which the Indonesian security force did little to control. Some of these demonstrators were organized by the military-intelligence complex of Indonesia itself, as placing the blame on Australia helped divert people's attention to their own shortcomings to maintain a hold on their territory (Hogue 2000: 145). Some anti-Australian sentiments even saw Australia's actions not in isolation but as a broader design to further destabilize and fragment Indonesia by exploiting the separatist movements going on in territories of Aceh, Irian Jaya and West Papua. In an attempt to assuage such fears, both Howard and Downer unequivocally stated Australia's position of supporting the sovereignty of Indonesia. In an interview in Kiribati in 2000, following a discussion on Indonesian sovereignty in West Papua in the Pacific Islands Forum, the Australian Prime Minister, when asked as to whether he would meet the Papuan representatives separately, declined to do so stating that

> ….there are no reasonable grounds for any expression of concern by Indonesia. We have always taken the view that West Papua is an integral part of the Indonesian republic. We have never advocated anything to the contrary and we won't because the circumstances of West Papua, the history of it and the history of its addition to the republic of Indonesia is quite different from the history of say East Timor……
> ….I'm not meeting them (West Papuan representatives). They may have made some proforma request but I won't be meeting them because they don't have any status…..
> ….I won't be talking to them because it would not be appropriate and it would be contrary to the stance that Australia takes in relation to the sovereignty of Indonesia.
>
> (Howard 2000b)

Despite such assurance, Jakarta remained suspicious should Australia change its stance as it did with the case of ET.

Australia's handling of the ET situation also generated condemnation from domestic opposition as well as from certain quarters in the region. Critics at home viewed Australia's ET policy, of going ahead with the ballot, as a failure of the country's strategy (Sheridan 2000). Many like Fritgerald (1999) argued that far from giving Australia any credibility in the region, as the Prime Minister claimed, it generated a triumphalist attitude of Australia which alienated the country from the region. One of the strongest denunciations came from former Labor Prime Minister Paul Keating, who viewed Australia's role in ET as the 'worst foreign policy disaster since the Vietnam war', and held Howard responsible for atrocities committed in the province (Wright 1999). Kim Beasley and many other Labor MP's would however distance themselves from such radical comments, even though the then opposition leader continued to assert that the 'Howard government mishandled foreign policy surrounding East Timor' (Commonwealth of Australia 2000). Howard himself conceded that due to the events in ET the relationship between Australia and Indonesia is 'going through a difficult phase' and 'it is going to take a while' to rebuild the same' (Ibid 2000). His already difficult position was not helped by an infamous interview given to the *Bulletin,* wherein he was allegedly remarked about Australia playing the role of a deputy sheriff to the United States, implying Australia taking a lead in maintaining regional order with the backing of the great power (Wesley 2005:61). Characterized as the 'Howard Doctrine', this bore striking resemblance to the forward defense concept which underpinned Australia's strategic and defense policy in the past. Malaysian opposition leader Lim Kit Siang, in reaction to the Howard doctrine concept, attacked Howard for 'having done more than any previous Australian Prime Minister to damage Australia's relations with Asia since the White Australia Policy was abolished in 1960's' (Tenanbaum 1999). Overall there was a perception that the ET episode has the potential to undo all the good work undertaken by Australia to engage with the region. Its fall out with Indonesia is worrying not only because Indonesia represents Australia's gateway to engage with the Southeast Asian region, but also because Indonesia's support is crucial in light of the already strained relations Australia has with Malaysia.

Australia's already difficult relationship with Indonesia was further complicated by the refugee crisis. The issue of asylum seekers in Australia's national and international politics has a long history. The geographical landscape of Australia – a western island nation with vast unguarded coastline situated in proximity to the Asian archipelago – have traditionally generated a fear of invasion by the non-white people, a fear which resonated in measures such as the White Australian policy. Even as the nation painstakingly projected itself as being transformed into a truly multicultural society, notions of exclusion still resonates in domestic circles. Here, the refugee issue also blurs the distinction between the domestic and international, as the politics of immigration is occasionally used to reap electoral gains. This happened even in the beginning of John Howard's term, when Pauline Hanson and her One Nation Party successfully exploited this fear of Asian immigration to achieve electoral success. Similarly, the refugee issue which gained prominence in the beginning of the new century (with Australian federal elections due in 2001), resonated to the above dynamics. There were different yet interrelated issues at work – both of which affected Australia's regional engagement process. One was international criticism on Australia's immigration policy and its treatment of refugees. And the other was John Howard's response through a continuation of his hard-line stance on asylum seekers and justification of the country's refugee policy as indispensible for Australia's security.

Most of the international criticism centered on Australia's detention policies and the alleged harsh treatment melted out to asylum seekers in detention centers across the country. A UN report released in December 2002 by the United Nations Working Group on Arbitrary Detention, which visited the detention centers that year, condemned the government's policy of detaining asylum seekers, and described the centers as 'worse than prison' and in contravention to accepted international standards (Gurry 2003: 239). The Woomera detention centre in South Australia came in for particular condemnation, as Australia was accused of hypocrisy for its indifference to the plight of refugee children in detention, even as the country adopted strict laws for the welfare of its national children. The 'children overboard' scandal, as it was so called, linked the refugee issue with child rights, accusing Australia of breaching the UN *Convention on the Rights of the Child* (CORC) of which it itself is a signatory (Mason 2002: 531). The country's own

Human Rights and Equal Opportunity Commission (HREOC), following a fact finding mission in 2002, concluded that evidence of unacceptable living conditions, long processing time and psychological harm inflicted upon children indicate to Australia breaching the CORC (ibid: 532). Criticism was also labeled against Australia's so called 'Pacific Solution' – a quick fix national solution to reduce the load of refugees by inducing the Pacific island states to accept them in exchange of their much needed financial assistance. In the Pacific, government representatives, NGO's, church groups and other activists were extremely critical of Australian policy of pushing refugees on the Pacific island states, and it did nothing to enhance the country's reputation in the international arena (Mason 2002: 531). As Chris Sidoti, former Human Rights Commissioner pointed out,

> The Pacific Solution involves the apprehension and forcible removal of people across national boundaries for profit. Desperate people are being dumped in desperately poor island states. These states are paid large bribes to accept people Australia do not want. People dumped in this way have no guarantee of protection.
>
> (Mason 2002: 531)

John Howard, on his part, reiterated the government's commonly used notion of national interest in justifying his hard-line stance on border protection. In the asylum seekers case, the conception of national interest was forged in terms of the security of Australia's vulnerable coastlines from contemporary non-state centric threats like people smuggling. Justifying his hard-line stance on illegal migrants trying to enter the country while bypassing proper assessment procedures, Howard (2001c), on the contrary, stated that Australia as a country had been quite generous to the asylum seekers - a position which is sometimes taken advantage of. Consequently, and in the context of the challenges that Australia faces, The Prime Minister asserted that it is important for Australians to 'decide who comes to this country and the circumstances in which they come', and he is opposed to a situation where proper assessment procedures are violated and 'people can force their way to the front of the queue, arrive illegally and having got to Australia in effect push other people out of the way' (Howard 2001d; 2001j). The tone of Howard's statements bore a close resemblance to Pauline Hanson's racism speech in

1996, and so was the responses and debates it triggered. Australia was described as 'an arrogant White Fortresses', and Howard was criticized for 'undermining forty years of diplomacy aimed at convincing the world that White Australia is dead'(Wesley 2002b: 58; Beeson 2002: 231). Many believed that Howard's hard-line stance towards asylum seekers were actually in keeping in mind his domestic audiences, in an attempt to exploit the fear of migrants to strengthen his election chances (Beeson 2002: 231; Flitton 2003: 41).

While the policy paid electoral dividends for the government, it did so at the cost of the country's engagement process, with the most profound effect being felt again on Australia - Indonesia relations which were already strained by the effects of the developments in East Timor. One of the effects of the humanitarian crisis in East Timor has been an influx of illegal migrants to Australia, taking advantage of, what the government claims as a permissive refugee climate (Albinski 2000a: 197). Australia believes that a large part of such influx happens via Indonesia, with the active involvement of corrupt officials who accept bribes for preparing false identification papers and deporting migrants to Australian waters (Ibid 197). Australia made representations calling for Indonesia's cooperation in providing intelligence and desist from harboring people involved in smuggling rings. However Indonesia, still fresh from the scar over East Timor, almost turned a blind eye to Australian concerns. On the contrary, President Wahid put it upon Australia to stop such migrants from entering into their country, saying that Indonesia should not be blamed for Australian problems (Ibid 2000: 198). Ironically, a month later Wahid would again be miffed at Howard, but this time for holding Indonesia accountable in Australian Parliament for illegal migrants from the middle east without privately communicating with Indonesia first regarding the matter (Wahid 2000). Even though the President reiterated that both counties should 'forget the past' and stress on the future, the developments did reflect the lack of trust and communication that have shrouded the relationship since 1999 (Ibid 2000).

This relationship deteriorated further in August 2001, when Australia stopped a Norwegian freighter *MV Tampa,* en route from Perth to Singapore carrying 438 rescued Asylum seekers, to enter its waters. Australian ambassador to the United Nations David Scott justified the country's stance by pointing out that since the rescue zone of the

asylum seekers lies under the Indonesia's responsibility, it is to the latter where the freighter should head to. Australia's determination to prevent, what the government termed as, 'illegal' arrivals to protect Australia's national interest, and to avoid being seen as an easy destination for illegal migrants and people smugglers, transformed a commonplace occurrence in international waters into a full blown diplomatic rift between Australia and Indonesia. Howard's attempt to communicate with the then Indonesian President Megawati Sukarnoputri, to persuade Indonesia to accept the asylum seekers was futile, thus signifying the state of their bilateral relationship (Beeson 2002: 228). The government also attempted to justify the righteousness of their own position at the cost of Indonesia. For Downer (2001), Indonesian refusal to talk to Australia over the issue has made clear the Indonesian position that 'they didn't want to take these (illegal) people back'. Similarly, Howard (2001c), indicated that by not accepting the illegal migrants, Indonesia was shrinking from their responsibility as 'that's where they (migrants) came from and that is where the captain of *Tampa*, let it not be forgotten, originally decided to take them'.

Australia's public condemnation of Indonesia evoked considerable displeasure to the latter. Indonesia's Foreign Minister Hassan Wirayuda condemned Australia for unnecessarily publicizing this issue, rather than sorting it out with Indonesia behind closed doors (Pearson 2001). They felt that Howard's purpose to was to gain electoral dividends while casting Indonesia on the wrong side and thereby further deteriorated the already poor relations with Indonesia (Beeson 2002: 228). This observation was not wholly misplaced as the government's uncompromising stance in the Tampa issue, in line with its general hard-line policy on asylum seekers, attracted strong public support, especially after the September 9/11 terrorist attacks, and only served to strengthen Howard's electoral chances. And as far as the asylum seekers on board the Tampa were concerned, they were transported to Nauru under the Pacific Solution policy.

The *Tampa* episode highlighted the cost of failure in an engagement process in dealing with a crisis whose possible solution depends upon factors over which Australia had no control – in this case the goodwill of Indonesia (ibid: 228). Rather, Australia's unilateral decision to send *Tampa* back to Indonesia without consulting the latter, followed by attempts to prove the righteousness of its position, possibly ended the

chances of garnering Indonesian cooperation over the issue. In August 2001, just two days before the Tampa crisis were to unfold, the Australian Prime Minister John Howard (2001a) characterized the future relationship between Australia and Indonesia as that of 'positive realism', with a focus on shared interest that both nations have. For Wesley (2002b: 58), the Tampa crisis was a negative illustration of the working of 'positive realism' – in the absence of any shared interest over the issue, there were a complete lack of dialogue between the leaders of both nations. At a broader level, what the East Timor and the Tampa issue also showcased was that the development or absence of 'shared interest' is as much an outcome of diplomatic initiation by nations involved as it is through events upon which the governments have no control. This is what also transpired in the beginning of the 21st century, as the events in September 2001, followed by the Bali Bombings, generated a sense of shared strategic interest between Australia and Southeast Asia. How Australia maneuvered this strategic environment post 9/11 in enhancing its regional engagement will be discussed in the next section.

Revival of Engagement: Cooperation on non-traditional security issues

The reason why the events of 9/11, and more so the Bali Bombings, were such significant events for Australia was because it heralded a major transformation in Australia's strategic perception towards the Southeast Region, which have traditionally centered on the state centric perception of security. The coalition government did not diverge from the generally held notion that Australia does not face any direct military attack from any nation in the foreseeable future (Commonwealth of Australia 1997e: 5; Commonwealth of Australia 1997h: 4, 30; Commonwealth of Australia 1997f: 1; Downer 1996b; 1997d). However developments in Southeast Asia, as well in the broader Asia-Pacific Region, were taken into consideration in formulating Australia's strategic priorities. There was a unanimous acceptance of the link between economic growth and shifts in power configuration in the Asia Pacific. There was a realization that in the post Cold War regional strategic environment, which is more complex and uncertain, Australia's security will largely be dictated by the framework of relationship between the major powers – United States, China, Japan, Russia and India (Downer 1996b). And closer to Australia, considerable attention was paid to the impact of economic growth in

Southeast Asian countries to their defense programs. As *Australia's Strategic Policy* of 1997 noted,

> ….sustained economic growth in the region has fuelled significant increases in defense budgets and military modernization programs. Most ASEAN countries, for example, have already made steady progress over the last decade in concerting their militaries from largely ground-based forces designed for counter-insurgency and internal security operations to more balanced conventional forces…
>
> Our strategic planning must take into account of the likelihood that this trend will continue.
>
> Within Southeast Asia we see no country acquiring capabilities disproportionate to their legitimate needs…Nevertheless military modernization developments within the region will have an impact on the scale and intensity of combat which could be sustained and will widen the range of military options available to governments. It is therefore significant for out force planning.

> (Commonwealth of Australia 1997h: 16)

And while Australia's expectation about continued economic growth was confounded by the 1997 financial crisis, the government was quick to point out its effects on the pace of modernization of the regional defense capabilities (Howard 1998; Downer 1998a). Attention was put on a range of other potential threats like proliferation of WMD, pandemics, illegal migration, refugee flows, environmental degradation, narcotics and transnational crimes etc. with a need for global and regional cooperative solutions (Downer 1996c, 1997c, 1997d; Commonwealth of Australia 1997f: 3). However they were not accorded the same priority as security challenges emanating from the complex interplay of great powers or politics of unresolved regional issues be it the Korean conflict, competition in the South China Sea, Taiwan issue or, closer to home, the instability in Cambodia (Downer 1996c; 1997c; Commonwealth of Australia 1997f, v). And terrorism also hardy found a mention in most speeches and policy documents, which was quite obvious as the issue was yet to achieve prominence in the security outlook of nations prior to 2001, even though many would presume its absence as a 'fundamental misdiagnosis' of Australia's threat priorities, particularly its failure to identify Islamic

terrorist threats emanating from Southeast Asia even before the events of 9/11 took place (Ungerer 2006: 195).

Misdiagnosis or not, terrorism didn't constitute a principle security threat facing Australia even after 9/11, and amidst the numerous global counter terrorism initiatives that followed. Howard did refer to the events of 9/11 as not only an attack on American soil but also on Australian values. In conceiving a response to this gruesome act, he even argued in the lines of Huntington's 'clash of civilization' theme, claiming that civilized countries need to 'band together to defeat terrorism' and not doing so 'would be strategically inept and, morally indefensible' (Wesley 2002b: 60; Beeson 2002: 232). Howard invoked the ANZUS alliance and contributed to the 'coalition against terrorism'. However as far as the primary source of threat to Australia's security was concerned, Australia's priority since the late 90's, and even in the immediate post 9/11 period, was one posed by illegal immigration rather than acts of terrorism. As Ungerer (2006: 195) pointed out:

> In terms of government priorities, the principle security threat throughout much of 2001 was defined as problem of people smuggling from Indonesia. As a result, the government directed the full complement of intelligence, police and defense recourses to meeting this apparent threat, leaving little time and effort available for the analysis of the other emerging threats such as regional terrorism.

However, as the common Middle Eastern source of both the 9/11 hijackers as well as most of the people seeking asylum in Australia created a media run linkage between the issue of asylum seekers (particularly the Tampa episode) and the terrorist acts of 9/11, as if those seeking asylum were potential terrorists, Howard did little to oppose this association (Wesley 2002b: 61). As the Prime Minister noted:

> When I speak of National Security I don't just speak of the way in which this nation has properly and honorably responded to the attacks of the 11th September…National security also importantly included effective protection of our borders…protecting Australia's border against illegal migration is an important national responsibility.
>
> (Howard 2001k)

It was only after the Bali Bombings of Oct 2002, that a major reassessment of Australia's threat perceptions and strategic priorities took place. While in the post 9/11 period Australia had a general recognition of terrorism as a global problem, the terrorist attacks in Bali, which killed 88 Australians, engendered a sense of direct threat to Australia and turned its attention to a terrorist threat which emanated much closer to its home. The threat of terrorism, which till now was peripheral to Australia's strategic assessments compared to illegal migration, suddenly assumed primary importance. A few months after the Bali Bombings, the government released the 2003 Defense Update, a considerable portion of which was devoted to increased terrorist threat to Australia; the dreaded possibility of terrorist groups getting access to WMD; and designated Southeast Asia, with the existence of Muslim fundamental groups, as Australia's 'troubled region' (Commonwealth of Australia 2003i: 15-19. Incidentally, nowhere in the defense update was any mention of erstwhile concerns such as the arrival of boat people even though in the years 2000-01 through 2002-03 their number totaled more than 7000 (Phillips and Spinks 2013).

At the same time, the incident in Bali, galvanised some sort of a strategic engagement between Australia and the Southeast Asian, countries particularly Indonesia. In 2000, a year after Australia's East Timor intervention would plunge its relations with Indonesia to an all time low, Australia's foreign minister Downer (2000b) spoke about 'practical regionalism', where countries bound together by geography find practical ways of working together to achieve their mutual objectives. Following a period of strained relations on account of East Timor crisis and the issue of migration, the development of strategic engagement between Australia and Indonesia after the Bali Bombings was a manifestation of such 'practical cooperation. And unlike the economic engagement which were rooted on a desire to acquire the benefits of the rising economies of Southeast Asia, strategic engagement was necessitated by a sense of shared strategic interest between Australia and Southeast Asian countries, of promoting national and regional security from the threat posed by terrorism.

Post Bali, the most significant of Australia's regional engagement was the one which developed with Indonesia. Some sort of a background for such cooperation was

however set much earlier. Even amidst the suspension of strategic ties between Australia and Indonesia over the developments in East Timor, there were suggestions that Australia should maintain a certain level of defense cooperation with Indonesia. In fact, the close cooperation which developed between the ADF and Indonesian military through the 1990's was a major reason why the INTERFET deployment in East Timor went largely uninterrupted from Indonesia. This factor was acknowledged by Force Commander Peter Crosgrave himself, when he pointed out that the low casualty rate of INTERFET during the operation was due to a certain degree of understanding and respect between Australia and the TNI, which helped in troops interaction as well as diffuse situations which otherwise could have been more critical (Ibid: 58). Add to this, is the geostrategic location of Indonesia which necessitated the development of cooperation out of Australia's own strategic interest. In spite of all such considerations, the involvement of TNI in human rights abuses in East Timor, coupled with the poor state of relations between Australia and Indonesia, meant that restoration of military ties was always a difficult task. The Australian Senate Foreign Affairs Committee, for instance, in a December 2000 report categorically spoke against restoration of substantive military contact with Indonesia unless the latter fulfills two conditions – (a) neutralize the East Timorese militias and prevent their incursions into East Timor and (b) dismantle the territorial command structure of the TNI - one which gave it the powers to meddle in domestic matters and which was fundamental behind the human right abuses in East Timor - and transform itself into a professional defense rather than an internal security force (Commonwealth of Australia 2000d: 207).

However ADF's participation in the East Timor crisis brought into fore some of the strategic realities that Australia needed to be prepared for. Chief among this was the realization that notions of a benign security environment could not be taken for granted as the Timor issue showcased how quickly conflicts can occur close to Australian shores requiring swift and efficient response. Such strategic realities and response priorities became the focus of the Government's Defense White Paper, released a year after the events in East Timor. Titled *Defense 2000: Our Future Defense Force*, the White Paper prioritized interest and objectives which are closer to Australia on the rationale that 'in general, the closer a crisis or problem it is to Australia, the greater the likelihood that it

would be important to our security and greater the likelihood that we would be able to do something about it' (Commonwealth of Australia 2000c: x). This almost echoed the Australian position during the Timor crisis, where the ADF responded in just 5 days once the decision to intervene in East Timor was made, but nonetheless it was an operation that stretched the defense force to its limits and would have been difficult to sustain had the peacekeeping operation extended to a few more months. Consequently, the White Paper, while starting off with a conventional assertion that Australia's strategic priority is to ensure the defense of the country from direct military attack, moved on to the so called 'concentric circles' approach, of prioritizing objectives which are closer to Australia (Ibid: 30). According to this approach, the second strategic objective was to 'help foster the stability, integrity and cohesion of Australia's immediate neighborhood which includes Indonesia, New Zealand, PNG, East Timor and South West Pacific island countries; followed by the third, which was to preserve the stability and cooperation of Southeast Asia and maintain a 'resilient regional community' that could prevent hostile power and resolve disputes among the member states of the Southeast Asian region (Ibid: 30-31). The circle grows wider with the fourth and fifth objective, which was to contribute to 'maintaining strategic stability in the Asia Pacific region as a whole' and the 'efforts of the international community especially the UN to uphold global security' respectively (Ibid: 31). In consonance with these strategic priorities, the White Paper asserted that the ADF, whose most important priority would be the self reliance defense of Australia by controlling the sea and air approaches, must also be prepared for lower level operations in its immediate neighborhood, and called for certain enhancement of force structure needed to meet such unique demands (Ibid: xi).

Among the countries of Australia's immediate neighborhood, the White Paper categorized Indonesia as 'most important', and indicated, despite 'lingering misunderstandings' in Indonesia about Australia's role in East Timor, Australia's commitment to cooperate with Indonesia to establish a 'new defense relationship' that will serve the strategic interest of the two nations (Ibid: 41-42). While the misunderstandings and continued suspicions continued to prevail, some sort of a breakthrough was achieved when Indonesian President Abdurrahman Wahid's visit to Australia, after a lot of speculation, finally took place in June 2001. While the visit hardly

achieved anything in terms of practical outcome, its symbolic value was nonetheless of immense significance. Wahid's visit broke the impasse, of not only being the first Indonesian President to visit Australia in more than 25 years, but also in the context of Howard's unambiguous assertion that the exchange of visit should start with Wahid's visit to Australia rather than the other way round, so as to keep the mutual respect in the bilateral relationship intact (Howard 2000c). And when Howard announced his intension to visit Indonesia in less than two months of Wahid's visit, many would view this as a diplomatic masterstroke signaling the beginning of a new era leaving behind the bitter memories of East Timor (Beeson 2002: 238). Similar to his earlier remark on practical regionalism in Australia's dealings with the region, Howard, while in Jakarta, would use the expression of 'positive realism' in Australia's rebuilding of a new relationship with Indonesia by appreciating the differences and working towards the promotion of shared interest (Howard 2001a). The Australian Prime Minister's visit would once again take place in February 2002, where he held talks with the newly elected Indonesian President Megawati Sukarnoputri. And while the 'lingering suspicions' remained - as evident by the refusal of Amein Rias, Chairman of People's Consultative Assembly, and Akbar Tanjung, the Speaker of the Lower House, to meet the Australian Prime Minister because of his perception on Asylum seekers and his supposed support towards the West Papua pro-independence group (CNN 2002) – the post 9/11 period did generate conditions for cooperation on shared strategic interest between the two countries.

There were a lot of ways in which the events of 9/11 galvanised cooperation between Australia and Indonesia on dealing with the threat of international terrorism. On 7th February 2002, the two countries agreed to a Memorandum of Understanding (MOU) on combating terrorism. Recognizing the need to strengthen international cooperation on combating terrorism, the MOU provided a framework of cooperation through intelligence information sharing, enhancing cooperation between law agencies and strengthening capacity building through training and education, exchange of visits, seminar, conferences and joint operations etc. (Commonwealth of Australia 2002b: 8). In the same month, Australia and Indonesia co-chaired the inception of the Bali-process – a forum for information sharing and practical cooperation on the issue of people smuggling, human trafficking, and related transnational crimes. In the first Ministerial conference, the

Foreign Ministers of Australia and Indonesia acknowledged the difficulties of Individual states to counter these crimes owing to their transnational character thereby emphasizing the need for cooperation underpinning a 'strong shared regional interest' in combating them (The Bali Process 2002).

Other than Indonesia, Australia, by the end of the year, would go on to sign counter-terrorism MOU's with two more ASEAN states – Malaysia and Thailand. Both the MOU's included exchange intelligence, better coordination between police and border control authorities, capacity building through training, specialist visit in each other countries and other education programs (Commonwealth of Australia 2002a; Taiwan News 2002). While the MOU with Thailand builds on Australia's defense and strategic links with the former, the one with Malaysia was of enormous political significance owing to Malaysian Prime Minister Mahathir's long standing objections to involve Australia in any emerging regional economic and security mechanism. Mahathir's concurrence in an MOU with Australia comes against the backdrop of a higher priority given to the war on terror by ASEAN in the post 9/11 period.

For Foreign Minister Downer, Australia's MOU with Indonesia, Malaysia and Thailand forms part of a bilateral network that the country was developing with the region in order to combat terrorism (Australian Broadcasting Corporation 2002). The minister would also point out that the MOU's compliments Australia's counter-terror activities taking place in regional grouping such as ARF and APEC (Commonwealth of Australia 2002a). For instance, Australia and Thailand, in addition to the MOU, also co-chaired an ARF Workshop on Prevention of Terrorism in Bangkok in 2002. The workshop was organized with an objective to find ways in which the ARF could develop practical measures to counter terrorism, and linking the phenomena of terrorism with that of illegal migration, the workshop discussed the possibilities of enhanced cooperation among the member states on border control by addressing identity fraud and illegal movement of people by the use of technology (ASEAN Secretariat 2002).

Thus by 2002, a form of strategic engagement have already taken place between Australia and Southeast Asian countries, both at the bilateral and regional level. This engagement only strengthened after the October 12 terrorist attacks in Bali. The Bali bombings acted as an eye opener for both Australia and the countries of Southeast Asia.

Prime Minister Howard would point out that while the events 11 September 2001 brought to fore a new dimension of threat to international security, the attacks in Bali was an indication that Australia is not immune to such threats. The events also proved true, the warnings given post the 9/11 terrorist attacks, which Australian policy community was complacent about, regarding the potential security implications for Australia of the radicalization of Islamic groups across Southeast Asia and their association with the Al Qaida associates in the region who were planning attacks on western (including Australian) targets (Ungerer 2006: 195; White 2005: 318). As far as the Southeast Asian countries were concerned, they had to now deal with terror groups active in their own region. It was particularly with the case of Indonesia, who was faced with the dual challenge of confronting the threat of home grown terrorism as well as restoring the image of the country which received a lot of negative perceptions as a fertile ground of international terrorism. This facilitated the emergence of a shared strategic interest between Australia and ASEAN countries, particularly Indonesia, in counter-terrorism cooperation.

And even here Australia's modus operandi was essentially bilateral, even though it did refer to the importance of regional mechanisms like ARF in promoting security cooperation in dealing with terrorism. The 2003 White Paper, for instance, acknowledged the 'modest gains' achieved by the ARF in building a sense of strategic community and in counter-terrorism work (Commonwealth of Australia 2003a: 77). But overall, there was a general skepticism about the utility of the forum as it found difficult to move beyond being a symposium of dialogues, and take concrete steps towards confidence building and preventive diplomacy. The government's reservation about the ARF, was also an offshoot of its lack of convictions about ASEAN. For instance, the 2003 White Paper, while cautioning that terrorist will remain alive in Southeast Asia without strong actions from regional governments, was concerned about the fact that the difficult period of political adjustments of the major Southeast Asian countries, still recovering from the financial crisis, means that ASEAN now lacks a strong leadership from any regional states (Ibid: 23). In the following year, the government released two documents on terrorism and Australia's policy response, a White Paper titled *Transnational Terrorism: The Threat to Australia* followed by a policy document *Protecting Australia against*

Terrorism, delineating the country's counter-terrorism policy and arrangements, with a second updated version published in 2006. All three documents merely made a passing reference to ARF and APEC in the context of Australia's participation in such regional forum's counter-terrorism efforts (Commonwealth of Australia 2004a: 138; Commonwealth of Australia 2004b: 15; Commonwealth of Australia 2006a: 17).

Participation and engagement with such regional forums however constituted Australia's initial policy response to the terrorist threat in the post Bali period. In June 2003, Australia hosted an ARF Workshop on Managing the Consequences of a Major Terrorist Attack, which focused on practical measures to deal with a terrorist attack, wherein the participants shared their expertise on the management of post terror acts activities such as search and rescue, treatment of the disaster site and handling of mass casualties (ASEAN Secretariat 2003). This was in addition to observations and expertise that Australia provided in ARF support meetings on counter-terrorism and transnational crimes (ISMCT – TC), initiated in March 2003, and held every consecutive year by an ASEAN member along with a non-ASEAN member of the ARF. In February 2004, Australia co-chaired along with Indonesia, the Bali Regional Meeting on Counter-terrorism, wherein the participants recommended a variety of measures to strengthen regional cooperation and collaboration between law enforcement agencies of participant countries in order to combat terrorism (Downer 2004a). The regional meet also recommended the formation of an adhoc working group of legal officials and law enforcement practitioners to share operational experiences and look into the adequacy of regional legal framework for counter-terrorism (Ibid). In the same year, Australia participated in, what James Cotton (2008: 120) termed as the 'declaratory diplomacy' of the region, through the signing of the ASEAN-Australia Joint Declaration for Cooperation to Combat International Terrorism. The declaration, while supporting ARF's and APEC's commitment towards counter-terrorism cooperation, called for cooperation among law enforcement agencies, intelligence and information sharing, assistance on immigration control challenges, and capacity building through training (ASEAN Secretariat 2004: 3-4). In the latter area, Australian agency for Internal Development (AUSAID) and ASEAN jointly organized a foundational course in 2004, at Jakarta, for

senior officials in the theory of Counter-terrorism Recognition and Multilateral Collaboration (Chau 2008: 631).

However it was primarily through bilateralism that most of Australia's counter-terrorism engagement, especially at a practical level, took place. After the Bali terrorist attacks, developing practical cooperation with the regional states became the prime focus of Australia's counter-terrorism approach. In that regard, the government pointed out that counter-terrorism cooperation at the bilateral level 'smoothes the path for practical cooperation' between the security and law enforcement agencies of Australia and the regional states (Luck 2004). Incidentally, the development of such bilateral counter-terrorism networks between Australia and Southeast Asia was not only a result of Howard's government's traditional preference for bilateralism but also due to inherent weaknesses of ASEAN itself to develop a dense network of security cooperation at the regional level. Following the 9/11 terrorist attacks, ASEAN has made a number of declaratory statements outlining the commitment and plan of action of the organization in its fight against terrorism. However adherence to the norms of 'non-interference' limited ASEAN's capacity to generate a 'denser ties of security and political cooperation and an enhanced sense of we-ness', even in the case of transnational threats such as terrorism (Chau 2008: 646). Consequently, practical counter-terrorism cooperation in the region has developed primarily at a bilateral level, either among the ASEAN states themselves or with external non-ASEAN partners like US and Australia. This limitation of multilateral institutions to produce practical outcomes was constantly pointed out by the Howard government, and even in counter-terrorism there wasn't any exception. As Mr. Les Luck (2004), Ambassador for counter-terrorism at the DFAT pointed out,

> In the absence of the more developed security frameworks of the kind found in Europe, our approach has been to pursue tangible results at the operational through well-targeted, practical cooperation with our regional partners, often driven at the agency-to-agency level. This has especially been the case in relation to the law enforcement dimension of our counter-terrorism effort.

Initial manifestation of such bilateral network was the number of MOU's that Australia signed with individual member states of ASEAN. Following the bilateral MOU's with

Indonesia, Malaysia and Thailand in 2002, Australia went in to sign MOU's with Philippines and Cambodia in 2003, and with Brunei in 2005. Intelligence being an important element in counter-terrorism, such MOU's facilitated greater intelligence cooperation and information sharing and together constituted a growing web of relationship between Australia and Southeast Asia (Ungerer 2006: 198). For instance, the Australian government maintained that the country's MOU with Indonesia laid the groundwork of cooperation between the police and intelligence agencies of both nations in the investigation of the Bali terror attacks (Commonwealth of Australia 2004b: 15). In fact, the most immediate Australian response to the Bali Bombings was to send a 46-member team of Australian Federal Police (AFP) and state police forces to Indonesia to support the local police investigation of the bombings – just four days after the events in Bali. Australia and Indonesia also formed a joint investigation and intelligence team to investigate the Bali bombings which, according to Foreign Minister Downer (2002b), was 'made possible under the auspices of the MOU' and will 'build on' the earlier cooperative effort of dispatch of the AFP team. The combined work of Australia-Indonesia law enforcement agencies led to the arrest of JI operative and mastermind Imam Samudra along with other perpetuators like Amrozi Nurhasyim (responsible for building the bombs), Ali Gufron (key JI operative in Indonesia) and Ali Imron (field coordinator of Bali bombings) (Chau 2008: 638). It was probably beyond the reach of the Indonesian police forces to apprehend the JI cell operatives in Bali acting alone without the cooperation of the Australian authorities, expertise in technical capability and forensic skills required to uncover the perpetuators (Ibid). By 2003, more than 30 people, suspected of being involved in the Bali attacks were arrested. The entire police investigation was a manifestation of a serious and successful practical level cooperation between Indonesian and Australian law enforcement and intelligence agencies. In carrying forward their cooperation, Australia and Indonesia, in February 2004, established the Jakarta Centre of Law Enforcement Cooperation (JCLEC), with the goal of enhancing the regional law enforcement capacity through coordination and felicitation of a range of training programs in fight against trans-national crimes, with a particular focus on combating terrorism. The centre aims at working with other relevant centers in

regional states to strengthen the capacity of law enforcement personnel in attaining complex security objectives in Southeast Asia.

Security collaboration also had a positive spill-over effect on diplomatic relations as Howard was invited to attend the inauguration ceremony of President Yudhoyono in October 2004. Other than enhancement of personal goodwill between the two leaders, the visit also assumed importance in extending the close cooperation on counter-terrorism, especially in light of the September 2004 bombings in front of the Australian embassy in Jakarta, again carried out by the JI, which foreign Minister Downer unequivocally stated, 'was aimed at the Australian embassy' (Australian Broadcasting Corporation 2004b). A day after the bombings, Australia dispatched the head of the ASIO and AFP, along with nine other AFP officers to Jakarta, to assist the Indonesian authorities with the investigation (Ibid 2004). Speaking at the Australian embassy in Jakarta, Howard (2004b) mentioned that 'tragedy and adversary is a terrible thing, but it often brings people together in a way that they mightn't expect'.

And it was as true in the way by which the 2004 Bali bombings brought about a strategic engagement between Australia and Indonesia in counter-terrorism activities, as it was in the case of the tsunami Disaster that stuck the region later in the year. Incidentally, it was the Indonesian province of Aceh - where insurgents were fighting for independence from Indonesia under the Free Aceh Movement (GAM) since the mid 70's, and which along with the PNG, was the bone of Indonesian suspicion towards Australia since East Timor's independence - that was worst affected by the disaster. From a constant proclamation of Australia's support for the sovereignty of Indonesia, against the latter's suspicions that Australian policy towards Aceh and PNG might go the same direction as it went in the case of East Timor, Australian military and medical team were one of the first to arrive in Aceh and other parts of Indonesia for relief and reconstruction works. By the end of January 2005, about 350 military staff, four military helicopters, a troop transport ship and a military health support team were present in Indonesia (BBC News 2005). The fact the Indonesia agreed to the presence of Australian troops in the troubled region of Aceh, followed by the joint activities by the military forces of the two countries in relief works, demonstrated some easing of anger felt by the Indonesians at Australia's intervention in East Timor (Hanson 2005: 566).

In February 2005, Australia and Indonesia started a capacity building assistance program for the development of Indonesian custom intelligence, port and ship search, and surveillance capabilities. In pursuance of the 2000 MOU on cooperation in transport sector, both countries agreed in March 2005, on a joint aviation security capacity building project under which the aeronautical authorities agreed on a civil aviation security safeguards against trans-national crimes. In the following month, a joint declaration on comprehensive partnership between Australia and the Republic of Indonesia was signed between the two countries, covering security cooperation in combating trans-national crimes, particularly terrorism, and other non-traditional security threats such as people smuggling, narcotics, disease outbreak and money laundering. But more importantly, the Joint Declaration saw the potential of a security agreement 'providing a framework for a new direction in the security relationship' between Australia and Indonesia covering traditional and non-traditional threats (Commonwealth of Australia 2005d). The agreement was in negotiation since 2004, when Australian Prime Minister Howard (2004b), in an interview with a television channel in Jakarta, envisaged a more formal agreement between Australia and Indonesia in areas of counter-terrorism but nevertheless different from the earlier treaty signed in 1995 by the Labor predecessors and which was terminated after the Timor crisis.

Incidentally, the issue of terrorism, was on the main agenda of both the framework agreement as well as the security treaty negotiations, once again became the focus of attention as Bali, for the third time, bore the brunt of a series of blast on 1st October 2005 which killed 20 people, including 4 Australians besides injuring more than a 100. The bombings were an indication that JI was still active in the Southeast Asian region and very much capable of carrying out coordinated attacks against western targets including Australia. Also, at the same time it provides, as Foreign Minister Downer (2005) mentioned before his visit to Jakarta, 'a timely opportunity' to further strengthen bilateral cooperation between Australia and Indonesia in a range of counter-terrorism issues. And even though there were some disquiet in Australia over Indonesia's refusal to ban the JI and reduction of jail term to Abu Bakar Bashir – arrested for involvement in Bali Bombings of 2002 as part of Indonesian remittance policy – practical cooperation at the bilateral level continued to take place. The most significant of such cooperation was

the decision to resume training exercises between Indonesian counter-terrorism unit Kopassus and Australia's Special Air Service Regiment (SARS), ending a seven year moratorium in force since 1999, when ties were suspended for the alleged atrocities committed by the Indonesian unit over East Timorese population. And even though a 2004 report by the Australian National University's Strategic and Defense Studies center recommended against resuming of military ties with Korassus, for its still ongoing association with illegal operations and human rights abuses, Australian Defense Minister Robert Hill would defend the resumption of military ties. Citing the now recurrent theme of 'national interest', the Defense Minister noted:

> In this era of heightened terrorist threats it is in Australia's interests to engage with regional special forces, such as Kopassus, to safeguard the lives of Australians and Australian interests abroad…The bombings in Bali in October 2005 further highlighted the need for regional countries to work together in combating this common threat…Kopassus Unit 81 has the most effective capability to respond to a counter hijack or hostage recovery threat in Indonesia….In the event of a terrorist incident, the safety of Australians in Indonesia could well rest on the effective cooperation between TNI (Indonesia's armed forces) and the ADF (Australian Defence Force)
>
> (The Age 2005)

In February 2005, Australia's Special Air Service Regiment (SASR) and Indonesia's specialist Counter-terrorism unit Kopassus unit 81 initiated a series of two-week counter-terrorism exercise code name *Dawn Kookaburra* in Perth based on counter-hijack and hostage recovery operation (Ibid 2007). In April, the maritime surveillance crews of both nations also held their first exercise since 1999 named *AlbatrosAusindo* in Bali focusing on interoperability and developing familiarity with each other's techniques and capability (Commonwealth of Australia 2005e). In August, the Indonesian Navy in their visit to the Australian port participated in a regional maritime exercise *Kakadu* aimed at enhancing interoperability (Commonwealth of Australia 2006b). It was the first exercise that the Indonesian Navy has participated in with Australia since 1999. In November 2006, Australia and Indonesian navy conducted maritime patrol boat surveillance training *Cassowary* (Commonwealth of Australia 2007a: 469). In the same

month, Australian Air Force conducted a combined tactical air transport and air drop training *RajawaliAusIndo' 06* with Indonesian Air force (Ibid: 470).

However, the most significant of all was the *Agreement between Australia and the Republic of Indonesia on the Framework for Security Cooperation*, concluded between the two nations on 18th Nov, 2006, after 2 years of negotiations between the two countries. The new security treaty reaffirmed the commitment of both nations to each other's 'sovereignty, unity, independence and territorial integrity', and aimed to 'provide a framework for deepening and expanding bilateral cooperation' in areas such as defense, law enforcement, counter-terrorism, intelligence, maritime and aviation security etc (Commonwealth of Australia 2006c). It was the first agreement that Australia concluded with a regional country. Covering both traditional as well as non-traditional threats to security, the agreement was more wide ranging and practically focused than the 1995 AMS, thereby opening way for further cooperation between SARS and Kopassus in joint counter-terrorism activities. The provision of respecting the sovereignty and territorial integrity also had an important political message of assuaging Indonesian concerns, that Australia does not support any form of secessionist movements in Indonesian territory. This message assumed even more importance in the context of diplomatic tensions caused by the West Papuan refugee crisis earlier in the year. In fact, the question of Australia's endorsement of Indonesia's territorial integrity, even in contentious provinces like the Papua, which have been experiencing strong separatist movements, was one of the most debatable issues in the run up to the negotiations of the security treaty. Concerns about the details of the agreement were raised even back home with many, like the Green Party leader Bob Brown and opposition leader Kim Beasley, pointing out that the negotiations of the security pact actually amounts to Australia endorsing Jakarta's military control over Papua and discourage Australian representations over human rights issues (Frost 2007: 410; Australian Broadcasting Corporation 2012b). Downer tried to play a balancing act by pointing out that while the treaty provides a greater confidence to the people of Indonesia who might be concerned about Australia aiding secessionist movements, the terms of the agreement does not detract from the freedom of speech and expression of people in Australia (Australian Broadcasting Corporation 2006). Nevertheless, the Foreign Minister would hail the treaty of being of historic significance,

and one the 'key events' at which the future generation will look at the way Australia had engaged with its nearest neighbor Indonesia (Australian Broadcasting Corporation 2006; Frost 2007: 409).

Besides Indonesia, Australia's strategic engagement through counter-terrorism cooperation also took place with other ASEAN countries. Following the MOU with Philippines, Australia held successful defense engagement talks in May 2003, which according to the government, 'deepened bilateral cooperation in maritime surveillance and reaffirmed Australian support for Philippines armed force modernization program (Commonwealth of Australia 2003j: 176). The two countries were also engaged in annual bilateral special forces counter-terrorism exercise *Dawn Caracha* and a combined maritime patrol and surveillance exercise *Lumbas*in order to develop interoperability in coordinated and combined maritime operations (Commonwealth of Australia 2005f, 2006b, 2007a). Australia stepped up counter-terrorism cooperation with Philippines when evidence established a close link between Indonesia's JI and Philippine based Abu Sayaf group, and there were intelligence reports pointing out that the ASG camp in Mindanao has been used as a training ground of perpetuators of both the Bali bombings (Benvenuti 2006: 284). A few days after the 2005 Bali Bombings, the Australian Minister of Defense visited Philippines and negotiations progressed for a Status of Force Agreement, which was earlier proposed by Philippines in 2004, with an objective of increasing Philippines capacity to combat the Abu Sayaf group. Signed in 2007, the Philippines-Australia Status of Visiting Force Agreement (SOVFA) gave reciprocal rights to the ADF and Armed Forces of Philippines in each other's territory, and also called for combined training and exercise by the temporary use of each other's land, sea and air space. Besides this, Australia also provided support for Philippines defense reform program in the areas of logistics management, strategic leadership and capability acquisition.

Australia also developed strategic engagement with Singapore on joint exercises and capacity building. One important facet of this engagement was Australia providing access of its training facilities to Singapore for land and sea exercise including its annual exercise *Wallaby*. Singaporean detachment also utilized the RAAF base in Western Australia and the Army Aviation Centre in Queensland for helicopter flight training (Commonwealth of Australia 2005f, 2006b). The two countries cooperated in a range of

bilateral exercises like the *Night Tiger*, *Singaroo*, *Lion Bridge,* to enhance interoperability, besides participating in other coalition exercises like *Pitch Black* and *Cobra Gold* with regional and extra-regional powers (Commonwealth of Australia 2007a, 2008). With Thailand, Australia's defense engagement included a range of exercises including Special Forces exercise *Dawn Panther* and *AusThai.* The two nation's held a counter-terrorism military exercise *Wyvern Sun,* providing valuable counter-terrorism training to Australian and Thai Special Forces (Downer 2004c). Australia's training of English language and defense reforms to Thai military personnel also forms an important aspect of strategic engagement.

With Malaysia, Australia's strategic engagement took place through the Malaysia-Australia Joint Defense Program which included a resumption of a combined army exercise *Southern Tiger* in 2004, aimed to enhance interoperability between Australian and Malaysian armies at a tactical level, beside others such as *Haringaroo* (to practice individual skill and field craft in a tropical environment) and Dawn Tiger (engagement training in Malaysia to enhance regional interoperability) (Commonwealth of Australia 2005f, 2007a). Close engagement was also facilitated by the presence of ADF personnel at Royal Malaysian Airforce Butterworth for conducting training and participating in training exercises, conducted under the auspices of the FDPA, like Suman Warrior (combined land operation exercise of the Armies) and BersamaPadu (Combined maritime exercises) (Commonwealth of Australia 2007a: 466). Australia also conducted bilateral special forces exercise *Star Leopard,* and a maritime patrol and surveillance exercise *Penguine,* with Brunei. Besides this, officers training - particularly English language, formed the crux of Australia's engagement with Brunei, Cambodia and Laos, along with assistance in the development of Cambodian and Brunei Defense White Papers (Commonwealth of Australia 2005f, 2006b, 2007a).

Conclusion

To conclude, one can say that geographic proximity played a prominent role in Australia's conceptialisation of strategic policy towards Southeast Asia. There was also an increasing realisation that events in the neighbourhood could have a signinifant impact on Australia's national security. This prompted Australia to lok for strategic cooperation

with the regional in pursuance of the development of shared interest. However, there were events like the East Timor crisis that had a significant impact on Australia's strategic engagement with Southeast Asia. It challenged Australia's prioritasion of bilateralism and also demoinstrated how quickly security situation could change in the region. East Timor, also with the events of 9/11 had a prominent role in Australia's strategic engagement policy, and these events worked both ways. It challenged Australia's pursuance of strategic coopetaion, but at the same time gave impetus towards priactical cooperation between Australia and the regional states.

Chapter – 6

Impact of Australia's Alliance with USA on Engagement with Southeast Asia

Introduction

One vital aspect of Australia's strategic engagement with Southeast Asia was projecting the notion that the strategic priorities of Australia and the region are closely aligned with each other necessitating cooperation between them. However convincing the same to the region occasionally proved to be a difficult task as questions were raised regarding Australia's strategic intensions which evoked much larger issues like Australia's identity, its alliance relationship with the great and powerful friends and how such relationship conditions its outlook towards strategic issues which have a bearing on regional security. The liberal coalition government of John Howard also had to come across such questions when Australia's alliance relationship with the United States and the former's alignment with the strategic objectives of the great power generated negative reactions from some quarters of the Southeast Asian region.

In the above context, this final chapter examines the Southeast Asian perception towards Australia's alliance with US and its impact on Liberal coalition's regional engagement. The first section highlights the Howard's government's assertion of an absence of conflict between Australia's history and geography and the justifications thereof. In this context, the government's balancing of the two most important foreign policy priorities – US alliance and regional engagement – as well as the basis of the US alliance for Australia's regional security environment is examined. The section also highlights the convergence in Australia's and ASEAN's perception of the US presence in the region. The second section examines the cases which undermines the liberal coalition's assertion of the convergence in Australia's history and geography. It highlights the manner in which regional developments and Australia's policies therein generate a negative perception from the region towards Australia on lines on identity and

culture. The third section examines the manner in which the events of 9/11 galvanized this distinctiveness on Australian identity from a regional perspective. The section highlights Australia's response to 9/11 through an assertion of shared values with the US leading to the country's support for US-led war on Afghanistan and Iraq. This will be done through an examination of Australia's perception towards the concept of pre-emption and state sovereignty. The final section looks at Australia's perception of Southeast vis-à-vis the threat from terrorism. This section discusses Australia's attempt to delink terrorism from Islam, the political and strategic reasons for doing the same, and the country's justification for its counter-terrorism policy. The section also examines the regional interpretation of Australian policies and the country's association with US policies. Finally, the section highlights the domestic complexities in the regional states which underline their reactions towards counter-terrorism.

No Conflict between 'History' and 'Geography'

To begin with, the issue of a strong bilateral relationship with USA was used as a political tool by the liberal coalition government to differentiate themselves from the labor predecessors. In the pre-election period itself, the Liberal National Coalition was critical of what they perceived as Labor's too much obsession towards Asia at the cost of distancing Australia from its traditional ally USA. This was echoed when foreign minister Downer, after the liberal coalition government came to power, stated that 'turning towards Asia does not mean turning our back on our friends' implying that the labor government's single minded focus on Asia led to a less than required attention to its longtime ally USA (Dalrymple 1997: 252). Consequently, the coalition laid a much greater emphasis on reinvigorating Australia's relationship with USA. In actual terms this was not to conclude that Australia's relationship with USA was in any way weakened under the previous labor government. But by putting a greater emphasis on USA Howard wanted to illustrate a conduct of the coalition's foreign policy which was markedly different from the approach followed by their labor predecessor. In fact reinvigorating links with USA was central to Australia's preference for bilateral approach in foreign policy. While regional engagement remained Australia's 'highest foreign and trade policy priority', the Howard government maintained that Australia have global interest requiring

foreign policy of a much broader scope involving significant interest in USA, Europe and elsewhere (Downer 1997c; Commonwealth of Australia 1997f: iv).

But at the same time Howard (1996b) also made clear that Australia does not face a choice between its 'history' (alliance relations with USA) and 'geography' (location in an Asian neighborhood) and that Australia can at a time both reinvigorate its relation with USA as well as strengthen its engagement with Asia. Rather, the government projected the Australia – USA relationship as a vital aspect in the maintenance of regional security. That projection was based on a broader perception that in the post-Cold War period, Asia Pacific strategic environment will largely be determined by the framework of relationships among the major powers - USA, China, Japan, Russia and India (Downer 1996b; 1996c; 1996c). And USA, being the preponderant power in the region, was perceived as playing the role of the region's 'balancing wheel' - restoring stability and helping minimize tensions among adversaries - thereby making its presence a positive force for regional stability (Downer 1996b; 1997a). Australian policy makers also viewed the US presence as an important cog in the regional security framework combining linkages at a bilateral, sub-regional and regional level (1996g; 1997a). And in that context the government viewed Australia's alliance relationship with USA as not only a central feature of its own security but also one which contributes to the maintenance of the strategic balance making it a positive contributor in regional security (Downer 1996b; 1996f). Downer (1996c) for instance pointed out, a month after the liberal coalition government came to power, that Australia needs to pay a 'proper heed to the role of the United States' which is crucial for the maintenance of regional security.

Incidentally the importance of US presence for regional security was acknowledged even by the predecessor Labor government of Keating. That was a primary reason behind Australia's support for inclusive regional architectures like APEC and ARF which it thought would not only enable Australia's inclusion but also keep the US engaged in the regional economic and security architecture. But whereas the Keating government sought to engage US through the latter's inclusion in multilateral institutions, the liberal coalition of Howard gave a higher priority to what they term as 'practical bilateralism' of Australia alliance relationship with USA (Downer 1996g).

What is noteworthy is that the strategic necessity of US presence in Southeast Asia was recognized by ASEAN as well. Since its inception, ASEAN had regarded its links with USA as indispensible for the security of the Southeast Asian region – whether it is to counter the threat of communism during the Cold War or as a bulwark against a rising China thereby maintaining a stable regional balance of power in the post Cold War period. Security considerations have also prompted individual member states of ASEAN to pursue bilateral defense links with USA. Thus, so far as the strategic presence of US for regional security is concerned, the perception of Australia and most of the countries of ASEAN does not have any significant anomaly. But the area where the dividing line was drawn between Australia and regional states particularly Malaysia with regard to US position was over aspects of cultural regionalism – the kind of regionalism which Downer (2000b) himself rejected through his endorsement of 'practical' over 'cultural' way of Australia's engagement with the region. It was this revival of cultural regionalism in context of USA which, as will be discussed in the later section, also perceived Australia as belonging to the outsider group posing a challenge to its attempt to seriously engage with the region.

USA in Australia's Strategic Outlook

Just as Australia saw the importance of US presence for a stable balance of power in the region and perceived its alliance with USA as a contributor to this strategic balance, it also recognized the continuing need to uphold this alliance for its own and regional security which might require supporting the US foreign policy objectives in the region and beyond. Right at the onset of its tenure the liberal coalition government gave indications of Australia moving in that direction. The Australia-US Ministerial consultations (AUSMIN) in Sydney a couple of months after the coalition government came to power – where USA dispatched a surprisingly high profile delegation involving the Secretary of State, Secretary of Defense and head of the joint Chiefs of Staffs among others – acted as a reaffirmation of Australia – US alliance. In the Ministerial consultations both Australia and USA reaffirmed their commitment to ANZUS, recognized the necessity of the 'permanent presence of USA' in the Asia Pacific region, extended the use of joint defense facility in Pine Gap for a further period of 10 years and

attached importance to cooperation in the field of technology, intelligence and interoperability through exercises and training (Commonwealth of Australia 1996). One such major exercise was *Tandem Thrust* - first of the biennial series of exercise between the two countries – held in 1997 in Queensland. Involving 21,000 US personnel and 6, 000 Australian defense force members, the exercise demonstrated both countries' military capabilities in a combined arms environment and tested their command and control procedure. But beyond technicalities, as Senator Macgibbon (1997) while presenting the tabling statement of the exercise stated the exercise 'served as a reaffirmation of Australia's continued friendship and alliance with the United States' (1997i) And more importantly, as firth (2005: 161) noted, it represented a return to forward defense thinking according to which the best training is with allies using sophisticated offensive weapons and security is measured by the closeness of Australian military ties with the USA.

Indications of a transformation of Australia's defense posture came quite early in Howard's tenure with a rather pessimistic view of Defense Minister Ian Mclachlan of the regional security environment. The Defense Minister would serve a warning about the 'dangers of complacency' in an uncertain security environment which could deteriorate very quickly (Trood 1998: 187). And his views did find a place on *Australia's Strategic Policy* published in December 1997. The Defense Minister himself, while releasing the document in the House of Representatives, took a dig at Labor's 'fortress Australia' strategy with, what he calls, a 'narrow focus' on responding to low level contingencies for the defense of Australia (McLachlan 1997). Stating that this strategy cannot guarantee Australia's security if the region itself is insecure, the minister stated that in the current strategic circumstances the Australian defense force should be capable of doing a dual task – to defend Australia as well as 'within realistic limitations' operate overseas for the promotion of regional security (Ibid). Similar assumptions were echoed in *Australia's Strategic Policy* as it outlined the basic tasks of the ADF – defeating attacks on Australia, protecting the country's regional interest and support its global interest (Commonwealth of Australia 1997h: 29). While self-reliant defense of Australia would be the 'core force structure priority', the review envisaged the need for Australia to 'work with others in the region' to prevent regional conflicts where its interest is at stake (Ibid: 29, 32). While the 'others' specified here may range from a number of countries with a shared strategic

interest with that of Australia, the priority was always accorded to the alliance with USA considered to be Australia's most important strategic asset whose preservation and development was accorded one of Australia's highest strategic priorities (Ibid: 18). The importance of US alliance also reflected on the synergy between Australia's assessments of the defense capabilities required to meet its strategic objectives and the country's expectations from the alliance relationship. The Strategic review, for instance, envisaged ADF's highest capability development priority to give Australia 'the knowledge edge' through advancements in intelligence, command arrangements and surveillance of maritime approaches (Ibid: 56). In this regard, alliance relationship with USA provided Australia with intelligence cooperation, access to state-of-the art military technologies and capacity building trainings – all of which are fundamental for developing Australia's defense capabilities (Ibid: 18). And like regional engagement, Australia also saw its relationship with USA as an important component of Australia's self-reliant strategy. This is because the Howard government did not equate self reliance with 'non-alignment', meaning which self reliance and US alliance were seen as complimentary to each other (Ibid: 30). In technological terms, it is this reciprocal relationship between self reliance and US alliance that had allowed Australia to develop RMA style technology that reinforces a degree of self-reliance in areas such as intelligence, surveillance and reconnaissance (Caldwell 2004: 217). The government also pointed out that self-reliance is not a defensive strategy as it might entail Australia undertaking highly offensive operations for its national security. In fact, in a possibility of a conflict situation in the Asia-Pacific region, the strategic review noted that, 'it would be a significant failure of Australian strategic policy to allow a direct threat to develop if there had been opportunities to stall it' (Commonwealth of Australia 1997h: 32). This later assertion echoed elements of pre-emptive strategy in close conjunction with USA – a strategy which received considerable headlines and regional reactions in the post 9/11 period.

Overall, the perception of a probable deterioration of security environment, the importance given to the forward projection of forces in close collaboration with USA, technological innovation through knowledge edge and even keeping the options open in terms of preemption – all of these were very similar to the forward defense strategy that was the hallmark of Australian defense policy during the Cold War. Maclachlan would

221

however reject its characterization as forward defense and instead favor the term 'forward engagement'. Notwithstanding the label, the importance of US alliance for Australia's and, what the Howard government perceived to be, the regions' security meant that the liberal coalition government lend its support for US strategic objectives what had a bearing on regional security. And even though many regional states broadly acknowledged the importance of US engagement in the region, they did show indifference towards some of those objectives as well as Australia's support for the same. US attempt towards building missile defense shields in the region for security against 'rouge states' was a case to the point. Not only had it generated anxieties among the regional states it also created a perception that Australia was acting as a associate of the US in the region. And for Australia it was a challenge of maintaining a delicate balance between its support for US strategic priorities and its pursuance of regional engagement by projecting itself as country in tune with regional sensibilities. However even before strategic issues posed a challenge to Australia's regional engagement policy, there were events right at the onset of Howard's term where assumptions regarding Australian history, identity and culture generated a gap between the country and the region.

Hansonism, Asian Financial Crisis and Questions on Australian Identity

Just a few months after the liberal national coalition came to power the Hanson crisis generated an image of Australia that is not serious about engagement with the region. The perception generated by Pauline Hanson of Australia threatened by the Asian immigration rekindled memories of the past when Asia and Asian were perceived as a national threat necessitating Australian association with the powerful western allies like UK and USA. Even though Hansonism, as it was so called, did not feature a direct involvement of Australia- USA relations, the regional perception of Australia did symbolize a sense of polarization along cultural and civilizational lines – a western country in an Asian neighborhood resisting the notions of multiculturalism because of a sense threat from Asian immigration. The domestic popularity of Hanson's One Nation's party followed by reported cases of public abuse and intimidation of Asians have also aroused questions as to whether the remnants of 'White Australia Policy' still lingers on in Australian public perception and gave an indication that despite coming a long way

those old stereotypes of race and exclusion still prevails among the Australian society (Dalrymple 1997: 247). Add to that John Howard's initial refusal to react to Hanson's comments combined with the impetus shown by the liberal coalition government to strengthen Australia's links with USA fuelled regional suspicions as whether Australia is serious about engaging with the region. Howard did offer a public repudiation of Hanson's comments but at the same time spoke about her right to freedom of expression. But as Hogue remarked, 'It is not so much a matter of who is right as of how we are perceived', and that the Hanson episode did set back the task of Australia obtaining acceptance as an insider in the region (Dalrymple 1997: 248; Hogue 2000: 147).

The polarization generated by the Hanson crisis between Australia and the region strengthened in the latter half of the 90's by two more events – The Asian financial crisis and Australian intervention in East Timor – events where USA was more directly involved. The effect of the Asian financial crisis on Australian foreign policy was wide-ranging. It defied all expectations about the continued growth of East and Southeast Asian economies which was one of the major rationales for Australia's to engage with the region. Within a span of one year, Australia found itself in a position of presuming the continued economic prosperity of the region to be utilized and emulated, to contributing in financial packages to bail the region out of the financial crisis. In Southeast Asia, Thailand and Indonesia were the worst affected. In Indonesia, the effect of the crisis went beyond financial difficulties to affect the political arena challenging the sustainability of Suharto's New Order regime. Rescue came in the form of financial packages provided by the IMF as it advanced billions of dollars to retrieve the economies out of crisis. The IMF assistance was however conditioned on the recipient countries to undergo massive financial reforms. The Monetary Fund insisted Thailand and Indonesia to go for higher interest rates and drastic reduction of government spending – reforms which invoked widespread criticism from regional states such as Indonesia and Malaysia as they saw in this assistance a western ploy to forcefully liberalize their economies. The IMF and the USA was also critical of Suharto's decision to introduce a currency board and even threatened to withdraw support if the currency board went ahead and Indonesia fails to break up government monopolies, curb subsidies on food and other basics and introduce a full accounting of government spending and reform of the financial system (Scott 1998:

554-56). Suharto was particularly angered by the delay in the IMF payments in March 1998 done on the grounds of dissatisfactory pace of economic reforms in Indonesia, thereby raising concerns that the Indonesian president may abandon reforms altogether (Ibid 1998: 554-56). Thus, the responses to financial crisis created a polarization between so called 'western' approaches - which insisted on drastic reform of the financial system to avert a full blown crisis which would have been disastrous for the international banks who have lend vast sums of money to the East Asian countries - and the regional economies, particularly Indonesia, who resisted such extreme changes fearing further deterioration of the economic situation which could invoke further domestic backlash and political instability.

The financial crisis had economic and security implications even for Australia. The country's exports to East Asian countries have already been affected by the economic downturn. Add to this, any political instability in Indonesia was bound to have implications for Australia's and the region's security and effect the country's engagement with the latter. Till 1997, Australia also followed the IMF and US line of diagnosis of the regional financial crisis. But eventually it realized – in the context of severe public backlash against some the regional government threatening their political stability – that the IMF needs to adopt a softer strategy to prevent the region from going down into further social and political chaos. Australia even lobbied the IMF, US and the G7 to adopt a more flexible line – whether it is to allow Jakarta to delay the removal of subsidies and price control over critical items in return for Indonesia scrapping the idea of the currency board, or for an agreement on the gradual implementation of the IMF reforms wherein the most critical of items were to be implemented immediately and the rest to be done in time phases ranging from three months to five years (Ibid 1998: 554-56). While these measures could not prevent the downfall of the Suharto's regime in Indonesia, Australia's diplomatic caliber during the crisis did not go unnoticed. The US Assistant Secretary of State for East Asia and the Pacific, Stanley Roth for instance, praised Australia's positive role during the crisis and referred to the country as one of the most knowledgeable country on Indonesia (Ibid 1998: 554-56).

The financial crisis for Australia was an opportunity to showcase its seriousness about engaging with the region. The economic crisis did provide Australia with an

opportunity to showcase itself, through financial assistance as well as diplomatic lobbying, as a benevolent benefactor standing with the region in times of calamity. Both Howard and Downer would repeatedly bring into focus Australia's contribution to all three IMF packages – and the fact that it was the only country besides Japan to do so – along with other humanitarian and bilateral aid assistance to almost all the ASEAN nations as a proof of Australia's all weather friendship with the region standing with the latter in terms of crisis. But while Australia's role and assistance during the crisis did enhance its international standing, it also generated a feeling of alienation from some regional quarters. The generation of this feeling went beyond the immediate factor of the manner in which Australia projected its country to the region during the crisis, to bring into focus a much broader distancing between the economic ideologies and culture between Australia and the regional states. At the immediate level, when Australian officials made public pronouncements showcasing the comparative strength of the Australian economy at a time where most of the regional states were reeling under the crisis, it itself highlighted a sense of distinction between the economic and social system of Australia and region. This show of strength was essentially targeted to the domestic audiences as Downer(1999b) would take a jibe at labor's economic policies and factor in, what he calls, the 'concerted and fundamental economic reform by the coalition government' that enabled Australia to not only face the challenge of the crisis but 'thrive on them' and get itself to a position where it could assist the neighbors back on the path of recovery.

However many commentators felt that from a regional point of view such assertions generated an image of Australia boasting itself with a sense of arrogance and triumphalism which did not go down well in some quarters of the region (Wesley 2001b: 66; Gurry 2001: 11; Cotton 2008: 121). As Cotton (2008: 121) remarked,

> From being a pupil of the Asian dragons in the previous decade, Australia now volunteered itself as an instructor in the ways of reform. Australia's assumed role as tutor was not well received in many parts of the region.

However beyond the immediacy of the situation the financial crisis revealed the different ideological and cultural perspectives between the western and Asian nations

thereby exemplifying Australia's dilemma between – the government's often repeated phase – its 'history' and 'geography'. This difference also reflected in the different perspective held by the IMF and some of the regional states especially Malaysia over the reasons behind the financial crisis. While the IMF put the blame on the inefficiencies flowing from the crony capitalist economies of the regional states, Malaysia's Prime Minister Mahathir Mohammad was quick to dispute such assertions and instead held responsible the foreign currency speculators who according to him deliberately sabotaged the economic dynamism of the region (Berger 1999: 1020). In fact by 1998, rather than an economic benefactor, the IMF was seen in the region to have compounded the crisis and was viewed as a part of the 'Wall Street-Treasury-IMF complex' - a key instrument in the wider reassertion of US hegemony and a major force in the promotion and imposition of the neo-liberal agenda (Ibid: 1024). Many regional states did not subscribe to that agenda and rather went in a different direction with capital controls and even looked into the possibility of developing a regional version of IMF in the form of Asian Monetary Fund with the objective of developing a regional network funded by Asian countries to overcome future crisis of a similar kind. And even though the AMF failed to materialize in the face of US opposition, it did signal the regional aversion to the neo-liberal agenda of the west promoted by the US and the IMF. In fact the Wall Street Journal in 1998 would describe the regional reactions to the IMF prescriptions of the crisis as the 'most serious challenge yet to the free market orthodoxy that the globe has embraced since the end of the Cold War' (Ibid: 1024).

In Southeast Asia, leading the line of opposition was Malaysia and its president Mahathir Mohammad. Mahathir disputed IMF's suggestions and even singled out American financer George Sores as partially responsible for the crisis. His opposition to the IMF was a part of his general reservation over western ideas and culture and its implementation in the region. Rather he asserted for the glorification of the Asian culture through maintenance of the Asian value system which for him holds a greater pedigree than those of the west. Mahathir held that through the supremacy of values, Asian nations could regain its former glory and would never come under European domination again. Mahathir's vision of a pan-Asian identity was rooted on a fixed and exclusive conception of an Asian race and culture to the exclusion of western nations including Australia,

whom he considered as a western outpost. He propagated these ideas continuously in public pronouncement as well as in his literary works but more so in the inaugural ASEM summit in 1996, where he vetoed against Australia's inclusion from the summit on cultural and ideological grounds. The stand was in conformation with his general opposition to Australia's involvement in any ASEAN-led regionalism including the free trade negotiations (Knapp 2014: 6-9). The debate surrounding Australia's participation in ASEM exemplified the country's dilemma between its Asian and European connections – the dilemma of its identity as a western nation but geographically located in an Asian landscape. And as the conception of 'Asia' in the ASEM process was underlined by the implicit notion of Asian values, doubts were raised as to how Australia who identifies itself as a western nation would develop and share understandings with an Asian group characterized by a completely different set of values and practices (Lawson 2002: 9; Knaap 2014: 6-9). These are the values which places community before self, believes in consensus rather than dissent or majority vote – the kind of communitarian ideas which stands in contrast to the neo-liberal values of the west – which in turn raised the question of trusting Australia's participation in the practical working of the Asian group who would talk among themselves first and avoid conflict on controversial issue before initiating dialogue with their European counterparts (Ibid). Mahathir would even take a jibe at the Australian identity which he thinks is far removed from being Asian by taunting that if Australia wants to take part in ASEM it has to do so by taking the European side. It was such exclusive regionalist propositions based on cultural lines that kept Australia out of ASEM throughout the entire period of liberal coalition's term. And more importantly it also posed a challenge to Australia's vision of a more inclusive form of regionalism which would include not only itself but also keep the USA engaged in the regional affairs.

If ASEM membership saw Malaysian opposition to Australia's claims of belongingness to the region, the development of the APT further institutionalized such exclusion. Developed in 1997 the APT can be seen as an institutional manifestation of the exclusive form of regionalism – the kind which was envisioned by Mahathir – excluding non-Asian states like USA and Australia. Even though the initial push for the development of APT lay in the need for a dialogue forum among the Asian groups

participating in the ASEM, the financial crisis put further impetus for its development. This impetus was provided by the apparent failure of existing regional mechanisms like ASEAN and APEC to deal with the crisis combined with the regional reservations about western prescriptions and conditional assistance by the IMF. APT signified the regional impetus to look for Asian solutions for the Asian problems with the objective of bringing financial stability by linking the ASEAN economies with those of East Asia. And while ASEAN remains the core of the APT process, Australia with its western cultural heritage found itself excluded. This was almost like Mahathir's vision of   Australia's exclusion from any ASEAN led regionalism becoming a reality. Considering the importance of APT for Australia's economic interest - as APT economies collectively buys half of Australia's export–but more so as an impetus, APT participation will provide, for Australia's regional engagement policy, Australia stated its intension of joining the forum if invited by the member states in future (Goldsworthy 2001: 226; Commonwealth of Australia 2003a: 84).

This also brought into focus some inconsistencies of the Howard government's policies. Australia's insistence on being a part of regional institutional mechanisms like APT in face of clear opposition from some quarters and the way it tried to differentiate its regional engagement policy from that of labor's predecessors did not somehow gel together. The liberal coalition government would constantly criticize the labor predecessors for their excessive importance to Asia neglecting other important priorities such as Australia's alliance relationship with USA. Howard (1999a), for instance, would say that Australia, before the coalition came to power, 'was like an anxious outsider knocking on the door of Asia trying to get admission', and instead lay emphasis on a much more realist approach towards engaging with the region. There were various manifestations of that realism – whether it is to shunt off 'special relationships' or arguing that Australia does not have to choose between its 'history' and 'geography'. But when Australia was showing its willingness to enter into the APT club 'if' the latter permits it and knowing very well how Mahathir felt about its inclusion, Australia at that time did seem like that a similar 'anxious outsider' of whom Howard was so critical of. However Howard on his part did not seek Australia's membership at APT as an Asian state. Rather it did so by prescribing for APT to develop an inclusive character which the

government believed would reinforce APT's links with external powers like USA (Commonwealth of Australia 2003a: 84). And from a government perspective such inclusive character would enable Australia's participation while at the same time reinforce US engagement in regional multilateral institutions. Nevertheless the fact that it did not materialize showed that despite Australia's persistent claims of 'all weather' friendship with the region and backing such claims through significant financial assistance, Australia's legacy as a western civilization and its differences with Asian culture and practices did occasionally pose a challenge to Australia's engagement with the region.

Australia- USA nexus in East Timor

If the financial crisis and membership issue of ASEM and APT witnessed Malaysia's challenge to Australia's regional engagement, the East Timor episode generated Indonesian hatred towards Australia. But whereas in the former cases opposition to Australia was generated primarily because of its identity as a western nation, in case of East Timor Indonesian animosity towards Australia was more because of the latter's direct involvement in what Indonesia considered to be its own sovereign affair, even though the Australian intervention was subsequently interpreted within the context of Australia's identity. The 'identity' question was related to Australia's alignment with USA even though it assumed different forms – if it was Australia's cultural alignment that worked against Australia during the financial crisis and membership in ASEM, the events in East Timor served regional suspicions regarding Australia's strategic alignment with USA.

The US on its part had been actively involved in East Timorese affairs ever since Indonesia annexed the 7th December 1975. The Indonesian invasion of East Timor happened a day after US President Gerald Ford and Secretary of State Henry Kissinger held discussions with Suharto in Jakarta, which later documents revealed involved the US government giving its accent for the invasion (Gaglioti 2001). Since then US provided significant military assistance to Indonesia and even blocked UN from taking enforcement action over East Timor. USA did so in order to maintain relations with the Suharto regime which was one of USA's most important strategic asset in Southeast

Asia. The US reversed its policy following large scale atrocities and human rights violation committed by the Indonesian militias over the East Timorese population, the most gruesome of which was the Santa Cruz massacre where Indonesian troops gunned down more than 270 Timorese civilians. Since then US official policy had been to uphold the promotion of human rights of the East Timorese and encourage the resolution of the political status of East Timor possibly through a UN sponsored self determination referendum for East Timor. The most significant act of self determination was the one held on 30th august 1999 where 78.5 percent East Timorese voted for independence of East Timor from Indonesia. Post ballot Australia took the leading role in organizing the INTERFET to end the post ballot violence and oversee the transition towards East Timor independence. One of the most critical tasks faced by Australia in organizing the INTERFET was regarding its composition. While contribution from the ASEAN member states were critical for giving the operation and Australian regional role some sort of a legitimacy, the role of US was also considered to be vital.

In the events leading up to the ballot there were considerable indecision in the US, considering its commitments elsewhere, as to the extent to which the it should would be involved in a distant crisis in East Timor considering its commitments elsewhere. While USA supported Australian approach and also showed an eagerness to engage with the latter in the development of the UN's post ballot role in East Timor, it was unclear whether this interest would translate into actual military commitments in the INTERFET (Goldsworthy 2003: 248). Some even viewed the US indecision as depicting some sort of an emerging crisis in the Australia-US alliance relationship and the country's isolation in the region (Cotton 2004: 73, 95). It also caused apprehension in Australia as it viewed a substantive US contribution as vital not only for the success of the INTERFET but also for underlining America's commitment to regional engagement which Australia always considered vital for regional security. And such apprehension was evident across both sides of the political divide. While Howard stated that he would 'find it very strange' if USA does not contribute suitably to the INTERFET, Leader of Opposition Beazley felt 'deeply disappointed' with the US indecision questioning as to the direction in which the alliance relationship was going (Adams and Bearup 1999). And whether it is was the APEC meeting of September 1999 or in the workings of Australian Embassy in

Washington, Australia was hell bent on convincing USA to make a substantial contribution to the peace keeping force. The kind of Australian perseverance was evident by a remark by the then Ambassador Andrew Peacock that helping to convince the Americans to commit significant defense recourses to INTERFET was his highest accomplishment in his three years tenure (Albanski2000: 207).

Eventually this perseverance paid off as USA, though decided against sending any ground force for INTERFET, did provide support in airlift, communication, engineering and intelligence besides having an Amphibious Readiness Group stationed nearby – all of which helped considerably to the speed of deployment of the International force (Goldsworthy 2003: 252). However the area where US role was more crucial was in pressurizing Indonesia with severe economic consequences to accept an international peace-keeping force. As discussed earlier, Indonesia's granting of autonomy and subsequent acceptance of East Timorese right to self determination was conditioned on Indonesia remaining in charge of security. Indonesian President Habibie remained adamant in this position even as Australia made repeated representations to the Indonesian president for allowing an international peace keeping force in the period leading to the popular vote. Even after the post ballot violence, Habibie remained indifferent towards allowing an international force in the territory. The need of an international peace-keeping force was underplayed by USA and, even a day before the ballot, the US Deputy Ambassador to the UN rejected calls for a UN Peacekeeping force stating the government's position of relying on Indonesia to maintain order in the territory (Ibid: 248). USA reversed its position after the post ballot violence that led to the forced withdrawal of UNAMET personnel virtually leaving the East Timor territory in the hands of Pro-integrationist forces. It was at that time when USA along with the IMF intervened, threatening Indonesia with dire economic consequences if it does not comply with the growing international demand led by Australia of accepting an international intervention. US warning came through a Statement on East Timor by President Clinton on 9th September which read:

> If Indonesia does not end the violence, it must invite - it must invite – the international community to assist in restoring security. It must allow international relief agencies to help people on the ground. It must move

forward with the transition to independence….my own willingness to support future assistance will depend very strongly on the way Indonesia handles this situation….nobody is going to want to invest there if they are allowing this sort of travesty to go on. So I think one way or the other, the economic consequences to them are going to very dire, but I think – my statement clearly signals where I am going to on the economic issue.

(Clinton 1999)

Clinton also conveyed the US decision to stop all forms of military cooperation with Indonesia. Infact the US President cited the alliance relationship with Australia as a factor in his stance on Indonesia (Cotton 2004: 96). Incidentally IMF also went along the same line suspending economic aid to Jakarta until some sort of progress is made by the latter over the East Timor issue. Australia played an important part in shifting the US stance as it constantly made representation to US officials in the immediate post ballot period of the necessity of an international force. And as important a role Australia played in leading the INTERFET to a successful conclusion, it was doubtful if Indonesia would have allowed for a peacekeeping force in its territory without substantial US pressure on Indonesia.

US response to Australian calls for commitment also has an economic history. Despite the strategic value both Australia and USA put upon each other, one area where both nations experienced difficulties were over matters of trade. As Albanski noted, while Timor may have enhanced Australia's standing internationally and particularly in the eyes of the US, trade was one area where Australia seemed clearly the lesser partner in an asymmetrical relationship with the US (Albanski 2000: 207). One reason for such asymmetry was US non-tariff barriers and export subsidies that acted as a detriment to Australian exports as it restricted their market access and created circumstances where they had to compete against increased American export subsidies. By the time the liberal coalition government came into office, Australia's trade deficit with USA had grown to almost $12 billion – doubling in the last five years – in part of such non-tariff barriers (Roberts 1997: 113). And while the Clinton administration demonstrated a substantial commitment with Australia in strategic matters, there were difficulties in matters of trade which reflected that all is not well in the bilateral relationship. One such difficulty erupted in a few months of Howard coming to power when USA threatened to use

sanctions against Australia for its alleged export subsidies to Howe, a leather company in Melbourne, which according to USA was at breach of the WTO rules. Even though the matter was resolved by November 1996, following talks between Australian Trade Minister Tim Fisher and US Trade Representative Charlene Barshefsky, the asymmetry was clearly evident as Australia had to back down and remove leather from its export facilitation program in return for US refrain from taking any further action against Australian firms.

However the issue, which according to Howard himself 'cause a greater adverse reaction in Australia than any other trade issue' that he can remember, was US decision in July 1999 to impose tariff rate quotas on Australia Lamb exports (Grattan 1999). The rationale behind the US decision was the supposed inefficient domestic lamb industry that could not compete with the superior and widely popular Australian product. While US decision aroused out of domestic consideration of protecting its domestic industry and even saw the merits of the Australian case, the latter underwent intense lobbying to revert the US decision on the ground that while its export industry looses out on the US lamb market, the problem of American lamb industry with inferior products won't be solved in the long run through government protection. At a broader level Australia was also concerned about such instances of American protectionism could set back the trade liberalization incentive at regional and global level and hinder the Asian economic recovery process (Albanski 2000: 208). However despite intense lobbying, Australia failed to reverse US decision. Amidst public protest in Australia, Howard was highly critical of the US move and there were indications that talks of US Australia alliance need not necessarily include trade matters.

It was in the background of such economic tensions that USA was contemplating its response to Australian representations to contribute to the INTERFET. And as disparate an issue import restrictions were with peacekeeping force, some sort of connection could be seen in terms of timing. As Albanski (2000: 208) speculated, Australian anguish over the Lamb issue may have made Clinton more amenable to vigorous Australia's representations for US contribution in INTERFET, as cumulative Australian distemper over trade and then Timor was not in US interest. However what was certain was the fact that there was a substantial US-Australia nexus in the events

leading to the successful INTERFET operation. And that nexus was underscored by both Howard and Downer by their references to the notion of 'Australian values' in many of their public pronouncements in the aftermath of Australia's role in East Timor. Howard, for instance, would attribute Australia's decision to support the independence of East Timor to the defense of Australian values. And when he goes on to assert that these values underpin an 'Australian way, different and so better than other comparable societies' (Howard 2000d), and values for which Australia were willing to be in a dispute with its nearest neighbor (Brenchley 1999), Howard was already making a distinction between Australia and the region in over the values which they uphold. Downer would highlight one aspect of this distinction, in a speech in 2000, when he stated that Australia has a distinctive approach to human rights, rooted on its ideological commitment with liberal democratic ideas, the country does not concur with the approach of some developing countries where such rights are seen as 'a soft underbelly of domestic politics: the luxury that is added on when more important things like the economy have been attended to'. In his speech Downer (2000e) would specifically take the case of Burma and Indonesia in highlighting Australia's bilateral initiatives with these two countries for them to 'meet the standards of human rights adherence now expected of them both by their citizens and by the international community'.

From Australia's regional engagement perspective there were two problems to this stance. Firstly, many in the Southeast Asian region were not pleased at Australian intervention in matters such as human rights which are regarded as falling in the country's domestic domain, not necessitating external intervention. And secondly, irrespective of Australian claims of distinctiveness of Australian values, many in the Southeast Asian region regard those values as a part and parcel of the western values that are not only different from those in Asia but also values that the latter do not necessarily adhere to. As a result, regional reactions against Australia in the aftermath of its role in East Timor also took different forms. While Indonesian resentment against Australia was primarily on the actions of the latter, others criticized Australia as a part of a western group conspiring to undermine Indonesia's sovereignty. On the latter group belonged Mahathir Mohammad who expressed the view that 'the west would like to see Indonesia broken up into smaller countries' and 'to frustrate Indonesia at any cost' and identified

Australia as the 'main beneficiary' from developments in East Timor (Cotton 2004: 82). This view of the Malaysian President formed part of his general aversion towards western culture with which he associated Australia. Similar reactions on Australian identity and race also came in from other quarters. The Deputy Home Minister of Malaysia Azmi Khalid, for instance, associated Australia's role in the INTERFET as like the country 'sitting in a white chair while supervising the coloured chairs' (Inbaraj 1999).The Indonesian and Malaysian reactions to the East Timor episode also reflects the differences in perspectives between west and the region over a variety of issues and divergent ways to work with them. For instance many in the region do not like the western countries commenting on issues such as human rights which the regional states think are internal affairs of the individual states to be resolved within the norms of the 'ASEAN Way'. Such norms are considered to be central to the working of inter-state relations in the region and are perceived to be different from the norms of the west. This was a primary factor behind Malaysian opposition to Australia's inclusion in the Asian group of ASEM, arguing that the Asian states may be hesitant to discuss sensitive issues with Australia which is considered to a western nation. In the same vein, when Habibie accused Australia of 'over reacting' to the events in East Timor, he was blaming for what he thought as Australia's unwarranted representations about the human rights situation in Indonesia, which was a country's internal matter to be sorted within the norms of the region.

Australia as a 'Deputy Sheriff 'and Regional reactions

Regional perception of difference towards Australia by bringing in the notions of values and culture were aggravated by proclamations made both by the leaders of both Australia and USA while envisaging their regional outlook. One such proclamation was made by Prime Minister Howard on September 1999 in an interview for the Bulletin Magazine, wherein he laid out Australia's future regional objectives in alliance with USA. By referring to Australia's role in East Timor, the Prime Minister described the country as a 'medium sized, economically strong, regional power' playing an influential and decisive peacekeeping role in the region with US 'acting as a lender of last resort' (Brenchley 1999: 22). More importantly, the Prime Minister was quoted as envisaging

Australia's future regional role as 'deputy sheriff' to the USA, fulfilling appropriate peacekeeping and other tasks with substantial American backing (Ibid). The interview, published on 28 September 1999, was titled as 'The Howard Defense Doctrine' which subsequently gained popularity as the Howard doctrine.

Coming on the heels of an Australian led INTERFET operation in East Timor, the 'deputy sheriff' remark received considerable condemnation in the region. Suspicions arose among some regional quarters, particularly in Indonesia, of Australia intervening in a similar manner in other parts of the region with US help in defense of 'values' such as human rights, which became an important element of the country's foreign policy pronouncements. For Indonesia, which already lost East Timor and is facing active separatist movements in other provinces like Moluccas and West Papua, such type of Australian intervention would greatly undermine its national integrity and prestige. Quite understandably therefore, the deputy sheriff remark invited considerable condemnation from Indonesia. Salim Said, an Indonesian political analyst equated Howard's alleged interventionist stand with 19th century Europeans 'standing on a beach and thinking he will have to watch out for the little brown uncivilized neighbors' (Tenenbaum 1999). Others were even more forthright pointing out that 'it is always the deputy who getskilled' (Ibid). Indonesian President Habibie postponed the departure of the newly elected Indonesian Ambassador to Australia. And leaders on both sides conceded that the bilateral relations between the two countries are undergoing a very low and difficult phase that will take some time to attain normalcy. Malaysian Prime Minister Mahathir's reaction was equally strong even though it was on expected lines. He labeled the talks on being a deputy to the US in policing Asia as Australia's 'unmitigated arrogance' (Frost 2016: 120). Deputy Home Minister Azmi Khalid reverberated the Malaysian government's disappointment with the supposed Australian stance arguing that it only confirmed their earlier assessment of Australia as an 'American stooge' (Leaver 2001: 17). Even opposition leader Lim Kit Siang labeled the doctrine as 'outmoded, unacceptable and highly offensive' representing 'an arrogant resurrection of the White Man's burden' (Ibid). He went on to point out that while Australia received appreciation from most of the region for its leadership role in the INTERFET, statement such as these have created considerable regional suspicions and would alert them of the possible

resurrection of the Howard doctrine in some other form (Leaver 2001: 19). For instance Thailand, who happened to be the most significant contributor to INTERFET, termed Howard's statement as 'inappropriate' (Leaver 2001: 17) signifying a general disenchantment even among those regional states who have been a general supporter of Australia's approach towards the region.

Australia also faced considerable denunciation at home. Many would claim that Howard may have got carried away by Australia's role in the Asian financial crisis and in East Timor and gave a wrong message at the wrong time. The *Australian* brought out an editorial claiming Howard's statement as a 'misjudgment' which convey the image of an arrogant and patronizing Australia reflecting aspirations of regional leadership that is not shared by others in the region (Tenenbaum 1999). From the opposition side the most stringent attack came from its leader Kim Beasley. Branding the so called Howard Doctrine 'foolish and bizarre', Beazley argued that it is a testimony of the Prime Minister being a greenhorn in foreign affairs (Leaver 2001: 17). In a statement in Parliament, while criticized Howard for the negative inferences that the regional states could draw from his 'deputy sheriff' thesis, Beazley (2000) pointed out:

> The Prime Minister did not effectively at the time spell out the other impressions that his words left: that Australia would intervene in regional trouble spots to protect Australian values, and that Australia stood separate from the Asia-Pacific, with strength and military capability as a platform for Australia achieving and exercising regional influence…..these views sustained for any length of time would have the capacity to undermine over 30 years of good work on both sides of this house, done by Australia in trying to build positive relationships with the region.

John Howard on his part and in sync with the coalition's position of supporting a close alliance with USA, responded by pointing out the necessity of US presence in the region for the security of Australia as well as for the stability of the region. However he explicitly dissociated himself with the term 'deputy sheriff', which he pointed out, was an expression not his own but of the interviewer Fred Brenchkey himself. He clarified his position in a statement made in the parliament on 27th September 1999 which read:

I make it clear that the government does not see Australia as playing the role of a deputy for the United States, or indeed any other country in the region, and neither does the government see the United States itself playing the role as a regional policeman, although continued American involvement in the region is vital to our security. That expression was used in the interview by the correspondent himself. I want to make it clear, therefore, that it does not accurately represent my position, particularly in the context in which it has been used subsequently by others who have been critical of the government's foreign policy stance….

(Commonwealth of Australia 1999b)

While the words 'deputy sheriff' may not be the Prime Minister's, but pronouncements made in the interview and subsequently did underline a few truisms regarding Australia's position which generated a lot of suspicion in the region. Firstly, a sense of attitude and triumphalism were evident in a number of pronouncements by Australian leaders which did not go down well in the region. This was particularly after the Asian financial crisis where Australia provided substantial financial contribution to bail the regional states out of the crisis as well as the country's role in leading the regional countries in an INTERFET mission towards a successful conclusion. For instance, in the same interview with Brenchley, Howard would highlight such Australian contributions in regional affairs and point out that the country can do things 'above and beyond' in the Southeast Asian region because of its 'special characteristics' of a western European civilization located in Asia (Tenenbaum 1999). Subsequently the Australian Prime Minister asserted that the economic dynamism of Australia has enabled it to stood 'taller and stronger' amidst a region submerged in the financial crisis, which in itself is a case of 'immense achievement and enormous pride' (Howard 1999b). Even Downer (1999b) would join in the bandwagon claiming that Australia have 'thrived' in the face of regional challenges and 'emerged in the region with its standing significantly enhanced'. While Australia's contribution to the financial rescue of the region as well as its management of the East Timor issue was certainly worth appreciating, many objected to the tone of Howard's statement's acknowledging his country's accomplishments. And while those assertions may be primarily targeted towards the domestic audiences, it did send a negative perception of Australia which is not only culturally different but also looks down upon the region with a sense of triumphalism. And coming on into the heels

of the region still recovering from the effects of the financial crisis, such triumphalist statements did not send a positive signal of Australia actually serious about engaging with the region. Many analyst, for instance, were critical of the portrayal of Australia as providing some sort of leadership to the region arguing that the latter is not looking for the same. It was summed up aptly by Hogue (2000: 148) with the following words:

> I suggest that the notion of Australian leadership has a long history in Australian thinking which, when it did not see Asia as a threat, saw it as a backward region which it was our Christian duty to uplift and develop. It is just that the world has moved on but some Australians have not moved with it.

There was another way in which this notion of Australian leadership got accentuated creating a differing perception between Australia and the region. Even though the Australian Prime Minister pointed out that that term 'deputy' was not his, USA did consider Australia to be a partner and even leader in regional affairs even in sensitive areas concerning Indonesia. And this was especially evident in US public pronouncements after George Bush came to power in 2000. The new Bush administration adopted certain lines of thinking that indicated a new approach towards Asia and saw Australia as an important partner in fulfillment of its strategic objectives. Similarly John Howard, who expressed support to George Bush during the latter's controversial run up with Al Gore, was quite pleased with the former's victory in December 2000 and geared towards establishing a solid alliance with the new administration. A week after the presidential results, Howard (2000e) claimed that Bush will 'make a great president' and that his country's relations with USA are 'as close a relationship any country can get'. The Prime Minister also held that the election of the republican administration bodes better for Australia not only in trade matters but also because what he thought will be a greater interest shown in the Asia Pacific by the new President elect's administration (Ibid). It was just a year ago that Downer (1999b) in a statement abandoned the notion of Australia having any kind of 'special relationship'. Even though the reference was with regard to 'any country', the foreign minister's statement was clearly directed towards justifying the government's so called realistic and practical relationship with Indonesia in the post Timor period. Even though the term 'special' was hardly been used in official

parlance to define Australia – USA relations, the tone of Howard's statement did indicate a paradox of the government's policy of distancing from the Keating-style special relationship in case of Indonesia but not necessarily with regard to USA (Gurry 2001: 12). Even Downer emphasized the importance of US security presence for regional stability as well for Australia's regional interest. Arguing that the US regional presence is indispensible towards maintaining a stable balance of power in various regional hotspots like Korean Peninsula, Taiwan Strait or the South China Sea, the Foreign minister would say that Australia's alliance relationship with USA not only 'helps cement the US in the security architecture of the region', but also gives Australia 'a much greater weight and relevance in regional security issues' (Downer 2000d).

The importance of Australia as an importance regional player has been recognized even by the new Bush administration. This aspect was crucial for Australia in the context of a renewed US approach towards Asia. This included a much tougher stance against China, a much less inclination to see China as a strategic partner of the US urging a shift in US military capability based on Pacific further southwards and new focus to the defense of Taiwan (Lyon 2001: 517). In this context USA expected its ANZUS partner Australia to be on its side and play a role in pursuance of the former's strategic objectives. This aspect was pointed by Richard Armitage, the then US Deputy Secretary of State, even before the Republican Party took over office. Speaking at the Australia America Leadership Dialogue in 1999 at Sydney, Armitage hinted at the possibility of Australia having to make difficult choices in case of an armed conflict between USA and China over Taiwan. In such a scenario, Armitage noted, the US will undoubtedly expect Australia to contribute with military support in carrying out the 'dirty, hard and dangerous work' (Hartcher 2001).

The Bush Administration's expectations about Australia playing a leadership role much closer to home were also in consonance of fulfilling the strategic objectives of USA. One such objective had the shades of the Nixon doctrine, of the necessity of dealing with conflicts in different parts of the region simultaneously by giving more responsibility to its regional allies to play a greater part in resolution of such conflicts. This is exactly how the USA approached the conflict in East Timor. Itself remaining on the sidelines, USA allowed Australia to take the lead in peacekeeping operations in the

conflict ridden province. And it expected Australia to perform the same kind of role future regional conflicts as well. This was probably what US Secretary of Defense William Cohen (2000) meant when he remarked in July 2000 that in an event of an international intervention in the conflict ridden Indonesian province of Moluccas, USA would expect 'some leadership on the part of Australia in terms of formulating our own policies in the region'. A similar point of view was opined by the US Ambassador Edward Gnehm Jr. when he stated that the US expectations of Australia in Southeast Asian affairs is as not just merely as a partner but as a leader with a much greater expertise than even that of America, and the latter expected its ANZUS partner to play a prominent role in restoring democracy and political stability as it did with the case with East Timor (Goldsworthy 2001: 237). The most highlighted one though came from the Secretary of State designate Colin Powell in a confirmation hearing in January 2001 wherein he outlined the broad contours of the Bush Administration's Foreign and defense policy outlook. Outlining the need for US forces to fight two regional conflicts simultaneously with the help of its allies in face of security challenges in the 21st century, Powell remarked,

> In the Pacific, for example, we are very, very pleased that Australia, our firm ally, has played a keen interest in what has been happening in Indonesia. So we will coordinate our policies. But let our ally, Australia, take the lead as they have done so well in that troubled country.
>
> (Powell 2001)

A few months later in the AUSMIN talks in July, Powell would float up the idea of closer consultation between US and its three key Asia Pacific partners, which included Australia along with Japan and South Korea. The AUSMIN talks also resolved to enhance interoperability and sharing of intelligence between US and Australian forces (Wesley 2002b: 49). The issue of enhancing interoperability, taken up in talks, was a continuation of the *Statement of principles for Enhanced Cooperation in Matters of Defense Equipment and Industry* signed between US Defense Secretary William Cohen and Australian Defense Minister John Moore on 17 July 2000, that among other things reaffirmed to simplify the transfer of defense equipment and technology between United

States and Australia enhancing the latter's access top American military technology. The easing of access to military technology was of interest to both Australia and USA. For Australia, having a relatively small defense force, access to good technology was vital for its security needs and in that context the agreement with USA was, in the words of Moore, 'something that Australia have been seeking for some considerable time'(Kozaryn2000). Moore would go on to assert that US relaxation of its export controls to provide Australia with military technology is a 'testimony of the closeness of security partnership that has developed between Australia and the US' and something which will enhance the interoperability of the forces of the two countries which signifies the 'hallmark' of the alliance. And it was this issue of enhancing interoperability that prompted the US to consider relaxing its export controls for its allies. The growing technological gap between USA and its regional allies such as Australia was making difficult the process of interoperability of the military forces which from a US point of view was vital for maintaining its regional stronghold from potential adversaries.

While the provision of advanced military technology from USA certainly pleased Australia, there was another related context which made Australia's alliance relationship more complicated. A day before the Defense Equipment Cooperation Agreement, US Secretary of Defense William Cohen (2000), in an interview with the *Nine Television Network*, remarked that Australia needs to make 'additional investment if it hopes to maintain a modern interoperable force with the United States. While Cohen's statement reflected the general US disenchantment about Australia's as well its other NATO allies' decline in military spending, the statement and interview also gave a sense of US expectations from its allies such as Australia in a regional strategic context. And that expectation went beyond the up gradation of the defense forces for their allies to more directly incorporating the allies themselves in the broader strategic objectives of USA.

One such US objective was the installation of the National Missile Defense (NMD) or the 'Star Wars Two' in order to protect itself from nuclear armed missiles from the so called 'Rouge states' and the Theatre Missile Defense (TMD) for forward deployed US forces as well its allies in different regions. Australia was already a part of the system with its Defense Science and Technological Organization (DSTO) engaging in technical and scientific TMD cooperation with USA. For Australia, support for the US

Missile Defense program was intended to illustrate its commitment towards the alliance and enhance its US defense 'umbrella'. Australia's support did pleased the US and when Cohen was asked whether TMD would cover Australia in immediate future, he responded positively pointing out that the joint facilities particularly the Pine Gap could be 'very much involved for providing the radar capability that will be necessary for an effective NMD program' (Ibid 2000). Even US Secretary of Air F. William Peters spoke about the Pine Gap as 'absolutely critical to the functioning of the theatre missile defense and ultimate top the national missile defense' (Albanski 2000: 209).

However a Missile Defense Program of USA in the Asia Pacific region is not something that could evade eyebrows in the region and quite expectedly the issue became a matter of considerable debate. When the issue of Australia's position towards NMD came into the picture, Howard unsurprising defended the US plan. Incidentally, in 2000 when the issue of NMD was evoking a lot criticism for its potential destabilizing effect, Cohen attempted to assuage those concerns by dissociating this 'New Star Wars' from the earlier one initiated by Ronald Regan, by pointing out that the proposed missile defense shield is 'far more limited in nature' but 'quite necessary' and is aimed not at Russia or China, but to provide limited protection from nations such as North Korea, Iran and Iraq (Cohen 2000). Australia's justification of support for the missile defense program also went along similar lines. John Howard would shrug off critics by pointing out that this missile defense system, or so-called "son of Star Wars", is not an offensive but a defensive shield' (Australian Broadcasting Corporation 2003b). And much like Powell, Howard would combine this defensive justification with the necessity of a missile defense shield in face of missile attacks from Rouge states such as North Korea. In an interview with Alexandra Kirk of *World Today* on February 2003 Howard would unequivocally state that:

> I would have thought that if we are as we are legitimately concerned about North Korea, and if North Korea does have missiles that can reach all sorts of countries including Australia, I would have thought the Australian people would want us to look at something that might defend us against that possibility.
>
> (Ibid 2003)

The reference to North Korea came in light of the country's *Taep'o-dong 2* ballistic missile, if and when successfully deployed would bring Australia within its range. The Howard government also justified its support for US missile defense program – the sustainability of the alliance relationship with USA. The government projected that support for NMD was crucial to keep the joint defense facility in Pine Gap going. As Downer (2000d), argued,

> 'we do pay a price for the ANZUS alliance….I can't for the life of me believe the U.S. would keep Pine Gap going and maintain ANZUS if that were Australia's policy'.

The Foreign Minister would in fact charge the labor's opposition to the use of Pine Gap to intercept incoming missile as hypocrisy as the labor party has earlier allowed the usage of Pine Gap in intercepting Scud Missiles from Iraq.

However many in the region would not agree to the Australian stance and even the regional position it had been accorded by the US. Coming into the heels of Australia's role in East Timor, regional states like Indonesia were skeptical about Australia intervening in regional affairs with US backing in similar situations like that of East Timor. As Indonesian Political commentator Salim Said, in response to US comments about Australia taking the lead in regional affairs, pointed out, 'I think this will not be positive because this will get Australia in a much stronger position vis-à-vis Indonesia, whereas we need an equal partnership'(Goldsworthy 2001: 238). As stated above, Indonesian concerns emanated from the prevailing secessionist movements in its territory and the fact that USA views such conflicts as a determent to regional security, not distancing from the possibility of humanitarian intervention.

Regional concerns also emanated from the TMD issue. China strongly opposed to what they see as the revival of the Regan's Star Wars project. While the US administration maintained that the proposed NMD is much more limited in nature and targeted against 'rouge states', China remained skeptical and suspected that it was an offensive system intended to neutralize its own missile capabilities. It warned that the development of the NMD would 'trigger a new arms race' risking regional stability and damaging the global non-proliferation efforts (Head 2000; Forbes and Crabb 2003). And

in the same lines as Malaysia, China would accuse Australia of being an American 'cats paw' of towing the line of USA over the TMD issue without consideration of its destabilizing implication on regional security (Albinski 2000: 553).

Similar skepticism was also showed by ASEAN. In July 2000 ASEAN Ministerial Meeting, Thai Foreign Minister SurinPitsuwan stated that, 'ASEAN is concerned about TMD because it will affect mutual confidence and might have negative effects on the ARF's achievements' (Yuzawa: 121). The regional grouping was concerned about the polarization, the issue of NMD may lead to among the member states of ARF, which might hamper the latter's development. Instance of such polarization were already evident between China and Japan as the latter was supportive of the NMD and were engaged in research and development of the TMD. While steer-clearing itself from the middle of China and US-Japan Axis, ASEAN expressed hope that both parties resolve the matter within themselves (Rathus: 148). Most of the ASEAN states support a prominent US presence as a regional security guarantee. However concerns of escalating tensions between US and China over the TMD issue prompted ASEAN skepticism about the US missile defense plan and proposed going ahead with it only after taking care of Chinese concerns as well as international agreements.

A considerable domestic debate also ensued over the liberal National coalition's support for USA's TMD plans. The labor opposition rebuked the government's stand arguing that it is not only detrimental for Australia's own security, as it makes the country a nuclear target, but also would affect its regional relationships. Former Prime Minister Paul Keating would take a jibe at Downer's comment regarding Australia's support for the TMD being a test of Australia's alliance with US, a test of whether the alliance is strong enough for Australia to communicate directly to the US that they have got it wrong over TMD and Australia does not want to be a part of it' (Ibid 2000: 556). Even former liberal Prime Minister Malcolm Frazer spoke against NMD not only from the point of view of the setback it would cause to the nuclear disarmament process but also from Australia's safety as he viewed that the country's support for it would make Pine Gap a 'prime target' and that Australia should 'refuse absolutely' to get involved (Gurry 2001: 13; Goldsworthy 2001: 236). Pointing out that the security needs of Australia and the USA are different, Frazer recommended the Howard government to

instead focus on the region saying that 'our future security depends more on relationships with countries of our own region than it does on the USA' as 'with the end of the Cold War, the primary need for ANZUS has been taken off the table' (Frazer 2000; Head 2000). Frazer would also link Australia's involvement in the US strategic vision with the negotiation of the Australia-USA Free Trade Agreement that the Howard government had put firmly on the agenda since 2000. The first public expression of the agenda was made through a speech by Australian Ambassador to the United States, Michal Thawley at the American Australian Association in December 2000 wherein he emphasized the benefits of the FTA as it would not only improve Australia's access to the large US market but would also consolidate the country's links with the dynamic parts of the US economy (Walker 2004). For Frazer though, the links would be more far reaching than just economic complementariness and it would not necessarily be in Australian interest as it would pull Australia closely into the US orbit on issues such as Taiwan which would not only endanger Australia's security but also harm its image in Asia (Gurry 2001: 13).

While Frazer was concerned about the strategic consequences of the FTA, there were others who expressed concerns of its impact on Australia's regional standing. Prominent among them were Professor Ross Garnaut, whose influential report in 1989 urged Australia to integrate its economy with the rising economies of Northeast Asia, and Stewart Harris, the former Secretary of the Department of Foreign Affairs. Both held the view that with East Asia taking a significantly higher share of Australian export compared to US, a free trade deal with the later would not only increase the potential for trade discrimination in favor of US and against East Asia, but also confirm the image of Australia as a 'second class Americans' which is a part of a reason why the country is excluded from regional arrangements (Ibid 2000: 13). The term 'second class Americans' was given by Harris in the context of Australia's exclusion from regional multilateral forums like ASEM and APT primarily because of its characterization as a western nation not in tune with Asian practices.

Faced with this quandary between regional engagement and alliance relationship in such issues where they were mutually contradictory, the liberal coalition government tried to maintain a delicate balance between the two. Howard was certainly pleased by the appreciation Australia received from the international community and particularly from

USA for its leadership role in the peace keeping operation in East Timor. And he was equally delighted by the position accorded to Australia by the USA of being a leader and advisor in regional affairs. But at the same time, Howard was conscious of not letting such US expectations rub the regional states the wrong way. Thus both Howard and Downer would unequivocally state Australia's support for the sovereignty of Indonesia in various international platforms treating East Timor completely different from other secessionist regions like Papua and steered clear from supporting their cause. The foreign minister would also dodge the issue of Australia having to support US against China in case of a conflict over Taiwan saying that 'no government is going to get into a position of speculating on hypothetical scenarios' (Behm 2013: 48).However while the crisis in Taiwan Strait was 'hypothetical' according to the government, the latter was actually faced with such a choice over the TMD issue. Thus the government's initial enthusiasm in supporting the US position on NMD was subsequently mellowed down after criticism from China and other regional quarters. Even amidst regional skepticism regarding the NMD, the Prime Minister would continue to justify Australia's support for the NMD on the rational of defending Australia against the North Korea's missile program. In 2003 the Prime Minister would say that the government is not yet making any financial commitment to the program and that he understands the arguments that are advanced that one country's support for the missile defense shield could invoke a different kind of retaliation by others in the region (Australian Broadcasting Corporation (2003). By 'others' the obvious reference would be the probable responses by Russia and China and just like the Taiwan issue the government steered clear of coming in between any conflict that the issue might generate between the great powers. This was clear with regard to the US-Russia discord over the NMD's impact on the ABM treaty. Australia maintained that the issue of ABM treaty be resolved by USA and Russia by consensus, and not by unilateral American abandonment of the treaty (Hildreth and Woolf 2002: 45).Any ways the Prime Minister would sum up that missile defense system 'is still a long way off and may not be achievable' probably suggesting that regional concerns are too farfetched at a stage when the program is yet to be finalized (Australian Broadcasting Corporation 2003b). Downer's comments on the dispensability of the ABM treaty in new strategic circumstances, against questions of the treaty violating the NMD, was also toned down in

consideration of the impact such comments might have on Australia's own ANZUS signed half a century back on circumstances which were equally different (Lyon 2001: 518). The Foreign Minister would also play down Powell's idea of consultation between US, Australia, Japan and South Korea, in concern of the group being perceived as an Asian NATO by China build for the purpose of containing the latter in the Asia Pacific region (Wesley 2002b: 49).

But while the liberal coalition tied to walk the balancing line, it was not clear that most of the regional states were convinced of Australia's intentions. In Indonesia, for instance, lingering suspicions remained about Australia's support for secessionist impulses. It was also evident that after the East Timor issue, relationship between Australia and ASEAN's biggest member would take some time to normalize. And there was also a general regional feeling as to whether Australia, which is striving to strengthen its alliance relationship with USA, is actually serious about engaging with the region. Such perceptions grew even stronger as Australia's towed even more to the US policy prescriptions after the 9/11 terrorist attacks.

9/11 and the Accentuation of Shared Values

The terrorist attack on the World Trade Centre on September 9, 2001 was in many ways a decisive event that heralded a major transformation of world politics. Numerous debates ensued as to the extent and form of the so called 'paradigm shift' it inflicted upon world politics; the nature of transformation of not only interstate relations but also of communities and cultures and even the extent of impact on the day to day life of ordinary citizens across the globe. However one thing was certain – that the events of 9/11 did bring out the threat of international terrorism on the world stage. Even though the target of attack was USA, its effects were felt in a range of countries across the globe more so among America's close allies such as Australia. In the latter, the events of 9/11resulted in numerous scholarly debates of how the threat of global terrorism impacted its society, its foreign policy, its alliance relationship as well the pros and cons of the government's counter-terrorism approach. These analysis at one level were also a subsidiary to a much larger debate as to as to the nature of terrorism itself. One important aspect of this debate was pointed out by Carl Ungerer (2007a: 272-273) wherein he brought into focus a

central tension over the nature of the terrorist act which occurred in September 11, 2001 – as to whether that act constituted an act of war or whether it was simply a criminal activity but done on a much larger scale than ever witnessed before. The rationale behind highlighting this contestation on the nature of terrorism was to enumerate the reactions through policy prescriptions that each view entails. Thus terrorism, if perceived as an act of war, needs to be defeated militarily whereas if seen as a crime it would require adequate domestic legislations and appropriate policing. Ungerer (ibid: 271) believed that John Howard's response to the events of 9/11 encompassed both the sides of the debate. Truly, the Howard government described the events of 9/11 as a global threat which needs to be countered by quick and drastic military action – if necessary pre-emptive action - not only against the terrorists groups but also against those who harbor them. And conceptualizing terrorism in this form helped Australia to showcase its commitment towards USA – an alliance whose promotion forms a core element of the country's foreign and strategic policy. And at the same time, Australia put a lot of priority on enacting tough legislative measures which essentially flowed from a conceptualization of terrorism more as a criminal activity. Ungerer's observation about Australia's response to 9/11 isn't very unique in itself as most states – particularly those who were directly affected by terrorist activities – responded with similar two-pronged approach of bilateral/multilateral counter-terrorism cooperation with other states along with stringent legislations at the domestic level. But the reason why his analysis assumes importance in the context of this chapter is because both forms of conceptualization regarding the nature of terrorism and the responses that resulted from them complicated Australia's relationship with the countries of Southeast Asia.

John Howard, who was in Washington when the two hijacked planes crashed the World Trade centre killing almost 3,000 people including 10 Australians, said that no other event in his 27 years of public life had a 'more profound impact' than what happened on the fateful day of September 2001 (Howard 2001h). The Australian Prime Minister would also describe the events as not only an attack on US soil but also on basic values, freedoms and the way of life – attributes which are shared by both USA and Australia (Howard 2001g, 2001i, 2001l). 'At no stage', Howard remarked, 'should any Australian regard this as something that is just confined to the United States'

characterizing the terrorist attacks as an assault upon the way of life that the Australians held in common with the Americans (Howard 2001f). In the subsequent months of the 9/11 incident, Howard would make numerous references to the notion of 'values' and 'morality', to justify Australia's foreign policy which was primarily marked by its close alliance with US and a display of abiding loyalty towards the latter's strategic objectives (Howard 2002b; 2002d, 2002h; 2003f; 2003g; Commonwealth of Australia 2003a: 3, 16, 36, 86, 87). It is these common progressive values, categorized by Howard as consisting of 'individual freedom, religious tolerance, democracy and international free flow of commerce' which according to the Prime Minister the perpetuators of 9/11 like Bin Laden wanted to destroy thereby necessitating a collective response to ensure their safeguard and progress (Howard 2001b; 2001i). The notion of shared values, democratic traditions and common heritage between Australia and USA was emphasized even in the government's 2003 White Paper as the document recognized the importance of such virtues in underpinning a strong bilateral relationship and security alliance between the two countries (Commonwealth of Australia 2003a: 86). Howard would even go back to the pages of history to highlight American assistance to Australia during the latter's time of crisis, thereby justifying a reciprocal Australian action not only from an alliance but also from a moral point of view. He would recall the days of his own father's involvement in the battle of Hamel where American and Australian forces fought together for the first time in World War I; America's crucial assistance to Australia during what he termed as the 'darkest days of World War II' and the history of both nations fighting together in the conflicts of New Guinea, Korea, Vietnam and the Gulf (Howard 2001b; 2002b; 2002d). For Howard (2002b), Australia's history and society would have been 'totally different' without timely assistance from the USA and he seemed to indicate that his country owes some sort of a debt to the great power in its moment of crisis.

Within three days of the terrorist attacks, Australia invoked the ANZUS treaty under article IV which states that an 'armed attack' on any of the parties would entail them to 'act to meet the common danger in accordance with its constitutional processes' (Commonwealth of Australia 1997g). Formed in 1951, this was the first time ANZUS has been invoked in response to an armed attack by any of the parties concerned. Even before

the 9/11 incident, Howard would characterize ANZUS as an 'outward manifestation of a very deep and abiding relationship' between the Australian and American societies – relationship which is steeped 'common sense of values and common traditions' (Howard 2001b). However signed during the Cold War in a very different set of circumstances, many commentators would question the relevance of, what they term as a 'sleepy alliance', in a much transformed post-Cold War international order (Siracusa 2006: 41). As the events of 9/11 unfolded and Australia invoked the ANZUS treaty, Howard would justify the decision taken to 'underline the gravity of the situation' and demonstrate Australia's 'commitment to work with the United States in combating international terrorism' (Howard 2001g). At another level, as a result of the 9/11 terrorist attacks, the Howard government could pitch for the continued utility of ANZUS in developing counter-terrorism cooperation in face of global terrorism. And if the intention was to enhance the symbolic value of ANZUS, the government, through repeated pronouncement of invoking the agreement, left no stone unturned. In a Press Conference in 2001, when questioned on the need for invoking an already living document, Howard (2001f) would accept the 'symbolic resonance' behind the decision. Such symbolism was meant to show that Australia stands with USA in the times of adversary, its support and commitment towards America's strategic objectives and the importance that Australia accords to the enhancement of the alliance relationship. And Howard would clothe Australia's support not only from a security point of view but by emphasizing once again on the notion of common traditions and values. As he remarked in 2002,

> We just don't do it for security's sake. We do share a lot of common values with the Americans…..I am great believer that you should have close relations with the countries whose way of life is closest to your own. And there is not much doubt, that when you look around the world, it is countries like the United States and the United Kingdom and a number of other countries where we identify in terms of our values far more readily'.
>
> (Howard: 2002d)

The Australian Prime Minister would even prioritize the virtues of common history and tradition over alliance by arguing that the relationship and friendship between the two nations is more than the mere 'legalistic connotations' that an alliance constitutes. Rather

it is the 'deep friendship' and a 'very rich historical relationship' that defines the current state of affairs of the two nations.

Australian Support for US-led War in Afghanistan

After such show of camaraderie and the general importance that the liberal national coalition accorded in reinvigorating Australia's relationship with the US, Australia's unfettered show of support for the US initiated 'global war on terror' was hardly a surprise. As the US strategic planners were devising the appropriate response to one of the gravest terrorist attacks on its territory, Howard (2001g) assured that Australia 'stands ready' to cooperate with the US in any response that the latter may deem necessary. Consequently Australia joined Operation Enduring Freedom - the US-led international coalition that intervened in Afghanistan with the objective of destroying the Taliban and the Al-Qaida terrorist camps. While the operation began on 7th October with only the British and US forces, Australia was one of the first countries to announce its decision to contribute troops in Afghanistan. Though Howard (2001i) stated the strategic necessity of intervention in Afghanistan as the country has been reduced to a safe haven for international terrorism, he also justified Australia's participation in the US war on terror on moral grounds. As the Prime Minister noted:

> If we left this contest only to America, we would be leaving it to them to defend our rights and those of all the other people of the world who have a commitment to freedom and liberty. We will not do that. We admire their strength and their greatness, but Australians have always been a people prepared to fight our own fights. To do anything less on this occasion would be both strategically inept and morally indefensible, especially given the strength of our mutual commitment with the United States under the ANZUS Pact.
>
> (Ibid)

The events of 9/11, taking place just a month after the Tampa crisis, and the fact that both September 11 terrorists as well as asylum seekers were identified as having a Middle Eastern origin, prompted Howard to link the phenomena of terrorism with that of illegal immigration. And he would refer the views of the British Prime Minister Tony Blair for stricter extradition laws to establish the point that even democratic and

multicultural nations needs to tighten its immigration laws to restrict unwanted people who might be involved in terrorist activities (Howard 2001k). For the Prime Minister, it was an 'obligation to make absolutely certain who is coming to this country' and it was as much a matter of national security as it was in appropriately responding to the terrorist attacks on September 2001 (Howard 2001k; 2001l). As he remarked

> National security also importantly included effective protection of our borders. It is important of course in the wake of the attacks on the eleventh of September to do as we have done, to join the worldwide response, to take additional security precautions in Australia, to do a number of things that we would not have ordinarily have done, but we must do because of the heightened security threat in our country.
>
> (Howard 2001l)

Promulgating as an ardent backer on the US led global war on terror, Australia send its first contingent of Special Forces Task Group in 22nd October, 2001 consisting of 150 personnel to assist US operations in Afghanistan (Comonwealth of Australia 2010). This was followed by assistance through the Royal Australian Air Force (RAAF) which was engaged in different tasks like air-to-air refueling, maritime patrol missions and logistical support for the deployed forces. ADF also provided assistance to the NATO-led International Security Assistance Force (ISAF) established in December 2001 through UNSC Resolution 1386 with the objective of training Afghan security forces and other rebuilding efforts. The special task forces remained in Afghanistan through rotation of contingents till 2002 when the government decided to bring them back - as the nature of the task shifted from combat operations to reconstruction efforts – reasoning that while a lot of task remains to be done, it is 'not appropriate' for the special forces to undertake the same (Hill 2002). In the aftermath of the 9/11 terrorist attacks, while assuring Australian support to the US war on terror, John Howard (2001g) would state that the country would contribute to future US operations 'within the limits of its capabilities'. In that sense Australian capabilities in terms of numerical strength of its military commitment in Afghanistan - which stood at around 1100by the end of 2002 (Commonwealth of Australia 2010) - remained modest at best. The ADF forces, already stretched by its commitments in East Timor and border protection provided only a

symbolic value in comparison to the US force strength which at the same time stood at 9,700 as they played a central role in the operation (CNS News 2015).

Iraq War and Australia's Support for Pre-Emption

After the fall of the Taliban regime and the establishment of the Afghan Interim Administration which marked the transition of power to the Hamid Karzai, the focus of the war on terror shifted towards Iraq. For US President Bush (2002a), the ouster of the Taliban was only a 'beginning' of the war on terror', and to stop there would only instill a false sense of security thereby indicating that much more needs to be done by the international community to deal with the current and potential threats related to terrorism. In his State of the Union Address in 2002, Bush would highlight the perils of a dangerous linkage between terrorist groups, the rogue states which sponsors them and attempts by these states to acquire Weapons of mass Destruction (WMD) making the likelihood of a nuclear terrorism a real possibility. Iraq, Iran and North Korea were categorized as such rouge states and along with their terrorist allies were said to constitute an 'axis of evil', who by seeking WMD poses a 'grave and growing danger' putting the freedom of USA and allies at risk (Ibid).

Therefore rather than stopping at Afghanistan, Bush would enumerate the future trajectory of US war on terror: shutting down terrorist camps and preventing the terrorist and regimes who seek WMD from threatening the USA (Ibid). However more than the objectives themselves, what was remarkable was the mode in which USA sought to fulfill those objectives. Bush (2002b) indicated the need to move beyond the Cold War doctrines of deterrence which - important as they are which regard to states with a massive threat of retaliation-'means nothing against shadowy terrorist networks with no nation or citizens to defend' or when 'unbalanced dictators' with WMD can deliver those weapons to their terrorist allies. According to Bush, defense against them requires 'confronting' them 'before they emerge' thereby justifying the need for pre-emptive strikes against terrorist groups and rogue regimes seeking WMD. The notion of pre-emption also underpinned the National Security Strategy of the USA released in 2002. While noting the profound transformation of the security environment, the document noted the limitations of deterrence faced with rouge states and called for an adaptation of

the notion of 'imminent threat' in tune with current adversaries so as to legitimize the strategy of preemption. Justifying the later strategy the document noted:

> The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction – and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, act preemptively.
>
> (The White House 2002: 15)

And while the document noted USA's willingness to get the support of the international community in its fight against terrorism, it did explicitly mention that the USA will 'not hesitate to act alone, if necessary, to exercise our right to self-defense by acting pre-emptively against such terrorists' (Ibid: 6).

While USA grouped a number of countries in its 'axis of evil' list, the priority was in dismantling the Saddam Hussein's regime in Iraq and its supposedly WMD program, that according to USA poses a grave threat to USA as well as international community. As George W Bush, underlining the threat that the Iraqi regime poses, noted in 2002:

> Iraq continues to flaunt its hostility toward America and to support terror. The Iraqi regime has plotted to develop anthrax, and nerve gas, and nuclear weapons for over a decade. This is a regime that has already used poison gas to murder thousands of its own citizens -- leaving the bodies of mothers huddled over their dead children. This is a regime that agreed to international inspections -- then kicked out the inspectors. This is a regime that has something to hide from the civilized world
>
> (Bush 2002a)

USA highlighted the fact that the Iraqi regime underwent such activities in spite of a number of UN resolution undertaken to prevent the same. In his speech to the UN General Assembly in September 2002, US President Bush (2002c) - while recalling the various Security Council resolutions demanding Iraq for ceasing its repression on its citizens, for returning prisoners and for renouncing its involvement with terrorism -

delivered a scratching critique of the multilateral body for not putting enough pressure on Iraq for subverting the same. The president would also cite intelligence that indicated the Iraqi regime's secret possession of materials to produce enough chemical agents, munitions for their delivery, mobile biological weapons lab and an advanced nuclear weapons development program working on uranium enrichment (Bush 2003). The Bush administration would unequivocally state that while the USA will cooperate with UN for necessary resolutions, it will not hesitate towards pre-emptive action against Iraq for fulfillment of its objectives, even unilaterally if required, in case the resolutions are not adhered to by the Saddam Husain regime. As Bush (2003a), in his State of the Union Address in January 2003, would state:

> We will consult. But let there be no misunderstanding: If Saddam Hussein does not fully disarm, for the safety of our people and for the peace of the world, we will lead a coalition to disarm him

Under US pressure, a last ditch effort was made by the UNSC on November 2002 through its adopted resolution 1441providing Iraq with a 'final opportunity to comply with its disarmament obligations' through providing the United States Monitoring and Verification Commission (UNMOVIC), the International Atomic Energy Agency (IAEA) and the UNSC 'accurate, full, and complete declaration' of program to develop CBRN weapons and their delivery systems (United Nations 2002a). However differences existed among member as to what would be the consequential actions in case of non-compliance by Iraq. While USA believed that any non-compliance by the Iraqi regime should lead to 'serious consequences' in the form of military action (United Nations 2002b), many others like France and Russia opposed military action as a consequence of non-compliance and favored the continued employment diplomatic means. In a briefing to the Security Council, the Chairman of the UNMOVIC, Hans Blix (2003a) stated that the commission is yet to find and WMD in Iraq even though many proscribed weapons remain unaccounted. However in a quarterly report presented to the Security Council a month later, he would make an overall assessment that Iraq is yet to 'genuinely' accept disarmament that was demanded of it, and while it had undertaken pro-active initiatives

towards that end 'they don't necessarily cover all areas of relevance'(Ibid 2003b). While this provided the pretext for the US to initiate military action against Iraq, France and Russia's intransigence to veto any such resolution precluded any UNSC endorsement for such action. Nevertheless, in tune with its stated objectives of acting without such an endorsement if national interest entails, the US along with UK, Australia and Poland referred to as the 'coalition of the willing' initiated full scale military operation into on 20th March, 2003 with the stated objective to 'disarm Iraq of weapons of mass destruction, to end Saddam Hussein's support for terrorism, and to free the Iraqi people' (Bush 2003b).

All along this process of US attempts at highlighting the international community of the danger the Saddam Husain regime poses to world peace, to garner the support of the UN for military action, to eventual intervention without UNSC authorization, Australia towed along the rationale provided by its great power ally. The Howard government assured that Australia will stand by the side of America in this war on terror 'for as long as it takes' and also agreed with the US stand that Afghanistan was just the beginning and to prevent the further export of terrorism both countries have to 'turn attention to areas beyond Afghanistan' (Pearce 2002). And as America's attention turned towards Iraq, Australia followed suit even justifying the US modus operandi for ensuring security against rouge states with WMD and links with terrorist groups that the US assumed the Saddam Husain regime to be. Even in the most debatable aspect of that modus operandi, the use of preemptive action, Australia provided its full support to the US line of thinking. Just weeks after Bush's June 2002 West Point speech where he outlined the US case for 'confronting threats before they emerge', Australian Defense Minister Robert Hill would lend credence to those remarks in a language remarkably similar to that of the US President. In a speech at the Australian Defense College in 18th June 2002, Hill pointed out:

> The need to act swiftly and firmly before threats become attacks is perhaps the clearest lesson of 11 September, and is one that is clearly driving US policy and strategy. It is a position which we share, in principle.
>
> (Hill 2002a)

In the same year Howard would present a similar line of thinking when he stated that 'Australia would itself be prepared, as a last resort, to take pre-emptive action beyond its borders to stop a threatened attack on Australia' (The Age 2002).

Both Howard and Hill would also lend their support to the US argument calling for enhancing the scope of state-centric concepts to provide an effective response to the threats in the post 9/11 era. Hill, for instance, would back US argument for changing the scope of traditional notions such as 'imminent threat' and 'self defense' to be in tune with the current strategic realities. With regard to the concept of 'self defense', Hill pointed out that the United States have got it right in calling for a revision of article 51 of the UN Charter which limits a country's right to self defense only in case of an 'armed attack', while Downer called for a reformulation of the right to self-defense better suited to contemporary realities' (Gurry2002:232). Howard (2002g) also echoed this sentiment when he argued that the definition of an 'attack' conceived by the UN in a certain historical set of circumstances is a state-centric view which now needs to 'catch up with reality' in current age of non-state terrorism. This essentially encapsulates an Australian support for US position that seeks to extend the ambit of self-defense to give states the right under international law, to intervene in foreign soil with an objective to destroy terrorist camps if they believe there exists a possibility of a terrorist attack from such groups. And Australia indicated its willingness to be a part of such intervention in cooperation with the US. As Hill (2002a) pointed out, the 'globalization of security' would require states to respond in a manner which is far removed from traditional notions of combat to include strategies like humanitarian interventions as part of the 'coalition of the willing'. And this, according to the government, would also entail a necessary reconceptualization of Australian security beyond the concentric circles approach with a more focus on interoperability with US forces in forward defense operations. As Hill (Ibid), pointing out the effects of 9/11 on Australia's defense planning stated:

> For Australia, it demonstrates again that defence of Australia and its interests does not stop at the edge of the air-sea gap. It probably never made sense to conceptualise our security interests as a series of diminishing concentric circles around our coastline, but it certainly does

not do so now. We are seeing a fundamental change to the notion that our security responsibilities are confined largely to our own region. The ADF is both more likely to be deployed and increasingly likely to be deployed well beyond Australia.

ADF must be able to operate in coalition with other forces…. Interoperability will be critical, particularly with the United States but increasingly with a range of other partners, especially in our region.

Both Howard and Downer would echo the defense minister's views on justifying humanitarian intervention in Iraq in cooperation with USA. During the first half of 2003, in a series of statements, they would point out the dangers of appeasement with regard to the Saddam Husain regime. Howard, in particular, and in consonance with the arguments made by Bush, would constantly give reference to the long history of Saddam Husain's noncooperation with the UN inspectors; the regime's history of supporting terrorist groups; the dangerous prospect of nuclear terrorism that such support entails; and the leeway other rouge states like North Korea will receive if regimes such as Iraq is allowed to get away (Commonwealth of Australia 2003a: xi; Howard 2002i; 2003b; 2003c). For the Prime Minister, these are reasons substantial enough not to let the problems and challenges of Iraq with her WMD unaddressed as, in his words, 'doing nothing against Iraq potentially, is much more costly than using force, if necessary to ensure Iraq's disarmament' (Howard 2003c). Similarly Foreign Minister Downer (2002a), in a statement at the Parliamentary house in September 2002, would cite intelligence report on the continued Iraqi program of developing WMD including possible uranium enrichment program. In lieu of such activities, the foreign minister noted, 'the threat from Iraq's weapons of mass destruction programs were real' and that 'only a fool would support a policy of appeasement and just hope that by saying nothing more or doing nothing about Iraq and Saddam Hussein the whole problem will go away' (Downer 2002a). Both Howard and Downer also backed justify Iraqi intervention on humanitarian grounds of liberating the oppressed Iraqi civilians from a regime who hasn't hesitated to use WMD against its own people (Howard 2003b; The Age 2002).

Throughout the process of getting a UN endorsement for a military action against Iraq, Howard would constantly evade questions – terming it as 'hypothetical'- as to whether US would undertake pre-emptive action and what would Australia's position in

that regard should the UN endorsement fails to materialize (Howard 2002c; 2002d; 2002f; 2003c). And this was even as Australia pre-deployed ADF forces in Iraq in January 2003 – even without any formal request from USA (O'Neil 2003: 542) – to support the diplomatic pressure on Iraq to disarm as well as conduct joint training with coalition partners in case diplomacy fails thereby necessitating actual military intervention. Even while working collectively with the coalition partners, Australia though retained control over its forces and in face of labor opposition as to the need of pre-deploying forces even while diplomatic processes were underway, the Government pointed out that Australia still had the option of deciding whether or not to operationally involve in a future war in Iraq.

By March 2003, when it became clear that the UNSC would not endorse a military strike in Iraq, Australia also changed its stated position from that of tactical evasion to providing a full fledged support to US military action against Iraq. On 18th March 2003, two days before the commencement of 'operation Iraqi Freedom' Howard announced the deployment of the ADF to the US-led 'coalition of the willing' to disarm Iraq of its WMD (Howard 2003d). And in the process Australia would even criticize the lack of unanimity among the UN members which was preventing an effective response to dangers posed by Iraq. In that regard the Howard government projected as if the onus fell on the coalition of the willing under the leadership of USA to do the needful. Howard, for instance, would blame a number of European powers like France, Germany and Belgium for creating tension and damaging the UN and criticized their attempts to question the wisdom of US unilateralism as lacking in both feasibility and legitimacy (Camilleri 2003: 442). Similarly Downer (2003b) argued that the intension of some of the permanent members of the UNSC in vetoing a resolution calling for military action against Iraq, does not 'deny the clear and immediate threat posed by Iraq's weapons of mass destruction to global security'. Providing a scratching criticism of multilateral institution's inability to take result oriented decisions, the foreign minister stated that the UN balking over the Iraq issue meant that Australia has to back the coalition of the willing to disarm Iraq. For Downer (2003a) this was not an 'ideal choice', but foreign policy according to him 'does not operate in an ideal world', it is about taking 'hard decisions' to 'advance the national interest in a pragmatic and hard headed way'. The

foreign minister would even go to the extent of challenging the absoluteness of a nation's sovereignty arguing that it is the 'outcome' which is more important 'than blind faith in principles of non-intervention, sovereignty and multilateralism' (Ibid).

In operation Iraqi Freedom Australia provided a force contingent of approximately 2000 personnel including a special task force of 500 personnel besides royal Australian Navy and Air force (Australia War Memorial 2017). Australia contribution, in terms of numerical strength, was once again tokenary as compared to USA and UK which send 130,000 and 46,000 personnel respectively (O'Neil 2003: 543). However even though limited in numbers, the forces did provide vital 'niche' contributions in reconnaissance, mine clearance operations and air support missions (Ibid: 544). Even after the completion of the combat operation on May with the fall of the Saddam regime, around 800 ADF personnel remained for assisting in the rehabilitation and transition towards self-government of Iraq.

Howard (2003f) confidently asserted that Australian support and contribution to the US led war on terror has 'left a deep impression' on its great and powerful friend and something which will not be easily forgotten by the latter. In that regard the Prime Minister's expectations were not entirely misplaced as Australian role in Afghanistan and more so in Iraq didn't go unnoticed. Phases defining the relationship between the two countries as being closest and strongest like never before have been used by policy makers from both countries. Australia was appreciated with a variety of connotations – 'confident', 'critical player', global power with global role', 'equal partners in the war on terror'; the Prime Minister was designated as a 'man of steel' and Australia relationship with USA categorized as 'greatest friends' (Armitage 2003). However the benefits for Australia went beyond receiving phases of appreciation from the world's greatest power to a deepening of relationship in terms of actual substance both on the economic and the strategic front. On May 2004, Australia-USA FTA was signed, something which the liberal coalition government was lobbying to do for quite some time. The government was quite pleased with the successful negotiation of the agreement and even projected the same as one of the rewards of Australia's commitment. Arguing that the Free Trade Agreement puts Australia's trade relations with USA on a equal pedestal as that of strategic one, Trade Minister Mark Vaile (2004) would term the AUSFTA as 'the

commercial equivalent of ANZUS'. A month and a half later Australia signed an MOU with USA outlining its participation in the latter's missile defense program thereby ending speculation, since the BMD/TMD issue came to fore, as to whether it would be a part of the US initiated missile defense system. Rather the government would give some sort of a moral justification of the right of USA as well as its allies to acquire a BMD. As Downer (2004b) stated, 'it is unreasonable to deny the United States - and its allies – the right to defend its cities against ballistic missile attacks' especially as the technology to do so becomes available'. The 25 years agreement provides a foundation for both countries in joint missile defense system development, future operations, information exchange and industry to industry cooperation for technological development. Defense Minister Hill justified the MOU as a 'long term investment' for addressing not only the current but also that of future threats (The Washington Times 2004) – the reference being the defense against the missile program of rouge states such as North Korea. Similarly Downer (2004b) defended the MOU as a part of the country's counter-proliferation strategy of preventing other nations from having a ballistic missile. And like before, in an attempt to assuage regional concerns, he would term the system as defensive due to its 'limited scope' which 'will not spark an arms race' (Ibid).

While the US-led coalition promptly accomplished the first task of invading Iraq in a little over a month, the Iraq invasion in itself became a matter of intense international debate. Large scale international criticism ensued questioning the legality of US action taken without a UN mandate. At a broader level the Iraq invasion also raised important questions about the contradictions between the policies of intervention even on humanitarian grounds and the notion of state sovereignty. And condemnation of the coalition's actions only intensified as the primary rationale for intervening in Iraq, i.e. ridding the Iraqi regime from its WMD, stood falsified. Months after the invasion of Iraq, as no conclusive evidence could be found of its WMD program as well as the alleged links between the Saddam Hussein regime and Al-Qaida, the coalition had to face increasing pressure from the international community for justifying the intervention. The liberal coalition government's task were further cut out as armed insurgent opposition to the US-led multinational force followed by a prolong period of civil war necessitated a much longer US haul in Iraq than what was originally anticipated.

Amidst the complexities in Iraq, Australia showed its full fledged support for US position. The Howard government stood its ground in justifying the Iraqi intervention by the coalition forces even as the primary rational of finding WMD in Iraq was increasingly questioned. After the Iraq invasion, a fact finding mission consisting of 1,400 members was sent to Iraq to hunt for the alleged stockpile of WMD. In its assessment in 2004, the Duefler Report as it was so called, found no evidence of Saddam Hussein restarting the nuclear program that was destroyed in 1991 and while some chemical munitions were found the report judged that Iraq 'unilaterally destroyed its undeclared chemical weapons stockpiles in 1991', and there were 'no credible indications that Baghdad resumed production of chemical munitions thereafter' (Central Intelligence Agency 2004). However Howard would highlight those parts of the report that notes Iraq's breach of UN Security Council's resolutions and Saddam's intentions to 'recreate Iraq's WMD capability after sanctions were removed and Iraq's economy stabilized' (Ibid 2004). Almost in the same lines of pre-emption, Australia Prime Minister seemed that such intentions were reasons good enough to warrant intervention and in that sense the report according to him did not particularly alter any of the understanding that his government had over Iraq (Sydney Morning Herald 2004c). On the other hand, Downer justified the interventional as a warning sign given to the potential proliferators to forgo their WMD program. Taking the case of Libya's decision to forgo its WMD and Iran's nuclear confession and signing of the additional protocol, the foreign minister pointed out the Iraqi intervention had paid dividend in encouraging cooperation from such states of proliferation concern (Downer 2004b). The government would also lend support to the humanitarian justification of intervention in Iraq – of dismantling a tyrannical regime and freeing the Iraqi people. Consequently Australia repeatedly made assertions of the remain in Iraq until till the job is complete as doing otherwise would amount to playing in the hands of the terrorists (Australian Broadcasting Corporation 2004a; Downer 2004d; Howard 2005b; 2007: 6; Landers 2006). In consonance with this policy Australia in 2005, in request from Washington, would again re-deployed forces in both Afghanistan and Iraq. Particularly with regard to the latter, where the US forces were considerably stretched by the bloody civil war, Prime Minister Howard would characterize ADF re-

deployment as signifying Australian friendship with the US and involvement towards the alliance in difficult and challenging times (Sydney Morning Herald 2006).

Iraq War and Partisan Domestic Politics

As the deployment of US forces in a prolonged conflict in Iraq gained large scale international attention and polarized views across the world, its effects were felt also in Australian domestic policies so much so that the country's force deployment in overseas conflict became a significant electoral issue before the federal elections in 2004. In the period leading to operation Enduring Freedom, Howard (2002b) would project Australia's commitment to the American alliance on bipartisan lines arguing that the friendship between the two nations 'is felt across the political divide in Australia' thereby hoping for labor's support towards the country's force commitment in overseas conflict in sustaining that alliance.

However labor's approach to Australia's involvement in overseas conflict was case specific. While there was a general bipartisan support towards Australia's participation in Afghanistan war with the labor agreeing with the government stand of the need for Australia to join the international coalition against terror, no such support sufficed in case of Iraq. In the latter case, the labor went with the majority of domestic public opinion who opposed an attack on Iraq if undertaken without UN authorization (Flitton 2003: 46). This view was shared even by former Prime Minister's, from both liberal and labor affiliations, like Whitlam, Frazer and Hawke as they publically warned Howard against supporting any US military action taken without UN authorization (Gurry 2003: 231). Frazer (2003) would characterize America under Bush as a 'fundamentalist regime' whose subservience could lead Australia into unwanted wars in the future while Howard's predecessor Keating(2000) would oppose Australia's over-reliance towards the US alliance which could turn the country away from regional engagement.

The Howard government's labor opposition also went along similar lines. While they were supportive of the strengthening of Australia-US alliance, the leaders hardly minced any words in condemning Bush's unilateralism towards Iraq and Howard's support for it. Mark Latham would go to the extent of condemning Howard as an

American 'arse-licker' and Bush 'the most incompetent and dangerous President in living memory' (Dodson 2002; Sydney Morning Herald 2004a). As against labor's differentiation of Afghanistan and Iraq, Howard (2006) saw both cases as same and equally 'vital backgrounds in the fight against terrorism' and that Australia's involvement in both these theaters vitally important for protecting the country's interest. And in doing so the government treated any opposition to the country's participation in Iraq as a sign of appeasement and speaking the language of the Iraqi's and not gauging the dangers that their WMD can inflict on Australia's and world security. Howard (2004a) would even point out that the liberal coalition's victory in the 2004 federal elections as a testimony to the public support not only for Australia's decision to go to Iraq but also to stay there until the job is completed.

With the US-led coalition forces stuck in the Iraqi quagmire after the initial invasion, this latter issue of exit strategy became a matter of intense domestic debate. The labor criticized the government's policy of staying in Iraq 'until the job is finished' as lacking a proper exit strategy which according to opposition leader Beazley (2006) was getting Australia 'bogged down in the wrong war in Iraq'. Howard on the other hand made clear that any exit strategy from Iraq should be condition rather than time based and premature return from Iraq would only embolden the terrorist and heighten the threats to Australia's security.

And the debates regarding the exit strategy went beyond domestic party lines to involve rather unusual inferences in US domestic politics. For instance Howard would not only criticize Latham's 2004 electoral promise of bringing back Australia troops from Iraq 'by Christmas' but also the then US Presidential hopeful Barak Obama in 2007 for a similar timeline he provided for Iraq exit (Sydney Morning Herald 2004b). The latter, in particular, was an unusual case of intervention in the domestic politics of another country as Howard, in response to Obama's promise to withdraw troops by March 2008, pointed out:

> I think he's wrong, I think that would just encourage those who wanted completely to destabilize and destroy Iraq and create chaos and a victory for the terrorists to hang on and hope for an Obama victory.

I mean, if I we're running al-Qaeda in Iraq, I would put a circle around March 2008 and pray as many times as possible for a victory not only for Obama but also for the Democrats.

(Australian Broadcasting Corporation 2007)

Howard's comments sparked condemnation from both Republicans and Democrats for the Prime Minister's interference in US domestic affairs. Obama himself, while labeling the comments as 'empty rhetorics', would respond by highlighting the numerical gap between Australia and US force commitments:

…we have close to 140,000 troops in Iraq, and my understanding is Mr Howard has deployed 1400, so if he is ... to fight the good fight in Iraq, I would suggest that he calls up another 20,000 Australians and sends them to Iraq.

(Sydney Morning Herald 2007)

Obama's comments may have come as an embarrassment for Australia's tokenary overseas force commitments even though Downer would defend the Prime Minister by pointing out the differences in the size of the two countries. Obama's numbers, Downer pointed out, 'would be half of our army. Australia is a much smaller country than the United States and so he might like to weigh that up' (Ibid).

But at another level it also brings into focus the government's strategy of committing forces in overseas conflict. Since the 9/11 terrorists attacks, Australia had constantly showcased its loyalty towards the American alliance by committing forces in US-led operation first in Afghanistan and then in Iraq. Similar to earlier force commitments in forward defensive roles, Australia's contribution in Afghanistan and Iraq were also small in numbers - some would level them as 'tokenary' or 'symbolic' - as compared to those of USA. And in the case of Iraq the views in the Australian community was essentially polarized as to whether this constitute a just war and whether Australia should be a part of the same. In such circumstances Howard tried had to run a tight rope between keeping the confidence of US on Australia's alliance commitment intact, while at the same time defend its policy in front of public as well to the labor opposition. One thing that worked in Howard's favor was that there were hardly any

Australian casualties in the war in Afghanistan and more importantly in Iraq. And Howard also made sure that ADF reemployment in Iraq and Afghanistan does not entail combat operations as he was also privately thinking of having as less troops as possible in those twin theatres while maintaining the vitality of the alliance. And the importance of US alliance always meant that any sort of exit strategy would always be a political rather than a strategic decision. The absence of casualties and labor's general support for a strong Australia-US alliance largely negated the latter's opposition to Howard's Iraq policy as the Australian Prime Minister could even use his party's electoral success to portray the legitimacy of his government's foreign policy. However for the coalition government it was not only a matter of balancing its alliance relationship with domestic opposition but also with regional engagement. In the post 9/11 period a number of issues complicated Australia's policy of regional engagement and how the country managed the two will be dealt with in the next section.

Threat of Terrorism from Southeast Asia

As discussed in the previous sections, the case of geographical proximity always ensures that Southeast Asia remains central to Australia's strategic calculations. The centrality of the region achieved more prominence in the post 9/11 period. As neighbors to the world's largest Muslim country, the threat of global terrorism heightened by the events of September 2001 and its links with the radical Islamic groups added a level of complexity in Australia's relationship not only with Indonesia but also with the Southeast Asian region at large. So much so that with the events of 9/11 which just followed the Tampa affair, the perception of Southeast Asia suddenly changed from engagement to watchfulness for Australian policy makers (Wesley 2002b: 62). The complexities of dealing with the region got even more accentuated by Australia's policy response to global terrorism, which it did through endorsement and cooperation with the US counter-terrorism objectives.

Australia was not oblivious of the potential terrorist threats emanating from Southeast Asia prior to 9/11. The source of these threats was the existence of extremist organizations such as Moro Islamic Liberation Front (MILF) and Abu Sayyaf Group who were capable of conducting terrorist acts even though they were essentially local in

nature. Post 9/11 and more so after the 2002 Bali bombings, the increased scope of their activities came to the fore. This was highlighted in the government's National Security Defense Update 2003, as it stated the 'much more worrying picture' of a much larger, capable and active regional extremist network and their links with global Islamic terrorist outfits such as Jemaah Islamiyah (JI) and Al Qiada (Commonwealth of Australia 2003i: 12). So much so that, the government noted, 'Islamic extremists in South-East Asia are now prepared to take up the anti- Western campaign of Middle Eastern terrorists and to follow their example of inflicting mass casualties' (Commonwealth of Australia 2003a: 17). The 2003 Defense Update also noted the increasing regional influx of global terrorist networks like JI, their operation of cells throughout Southeast Asia and their planned and conducted attacks in a number of regional countries including a foiled attempt in Australia (Commonwealth of Australia 2003i: 12). Even the 2003 while paper established the link between regional extremist groups and global terrorism, which the document saw as an offshoot of the entwinement between militant Islam and separatist ambitions and even noted Indonesia as a 'fertile ground for international extremist Islamic influence' (Commonwealth of Australia 2003a: 17). Such activities are aided by the fact that the region was facing other challenges like slow growth rates, insufficient employment opportunities, political and leadership weakness, declining government standards which accentuated the difficulties of regional governments in grappling with terrorism (Commonwealth of Australia 2003i: 18, 23). Thus while the threat of terrorism is global, for Australia, the government noted in 2003, 'the greatest and most immediate concern', particularly after the 2002 Bali Bombings, 'is the growth of Islamic extremism and terrorism in Southeast Asia' (Commonwealth of Australia 2003a: 17, 36). And the threat perception continued even at the end of Howard's term as the Prime Minister in 2007 noted the continuing challenge to nation states from non-state entities pointing out that 'Islamist terrorism will remain a threat to Australia, to Australian interests, and to our allies, globally, and in Southeast Asia' (Howard 2007: 4).

As seen in the previous section the Howard government didn't mince any words in support for US pre-emptive action against terrorist camps in overseas territories. And considering that Southeast Asia was one of the most immediate concerns to Australian policy makers as a source of Islamic terrorism, any reference to the target of preemptive

action would also thereby entail the region. And Howard didn't decline the theoretical possibility of the same. Both after the 2002 bombings in Bali and the 2004 bombings in Australian Embassy in Jakarta, Howard canvassed the possibility of an Australian pre-emptive strike on other countries including Southeast Asia 'as a last resort' to 'prevent an attack on Australia from a terrorist group' (Howard 2004a). The Australian Prime Minister would justify his stand as a rational act which any leader even in the region would do so as a last resort if he finds out that the country was 'unwilling or unable' to act effective action against terrorist camps in its territory (Howard 2004a; Australian Broadcasting Corporation 2004c). Foreign Minister Downer would back Howard's pre-emptive military action as a last resort while arguing that such actions can also be applied to Australia. When asked about the consequences of pre-emptive action if Australia were on the receiving end, Downer would take the case of Indonesia pointing out that, 'It would be "absolutely" understandable if the Indonesian air force bombed the Kimberleys believing terrorists who threatened Indonesia were located there' (Forbers 2004a). Rather any sort of appeasement by Indonesia in such cases would be according to Downer 'very surprising' (Ibid). Following the terrorist attacks in Bali and Jakarta, references to Indonesia was not surprising. But the government, anticipating reactions from the labor opposition as well from the Southeast Asian region, clarified that Australia supports pre-emption only on principle and 'don't ever see those circumstances arising' citing close security alliances with Indonesia, Philippines, Singapore and Malaysia (Howard 2004a). But at the same time the government would strongly react to the labor opposition towards the same principle arguing that the Australia should be 'ruthless' against the terrorists rather than waiting for a terror attack in its country.

Australia's support for Islam

Australia would however reputedly put forward the argument that Australia's war against terrorism as well as the country's actions against the Saddam Hussein regime does not constitute a stand which is anti Islamic (Downer 2003b; 2004d; 2006; Howard 2001l; 2003c). They grounded this stand on the assertion that there exists no conflict between west and Islam (Downer 2006). Downer (2006), for instance, would argue that 'the world's great civilizations share fundamental truths' as he would point out the

historical overlaps between west and Islam as well as Quran's elaboration of a range of rights such as that of life, respect, acquiring knowledge, sustenance, right towards minorities that are in common with western civilization (Ibid). While acknowledging the extremist-Muslim bias of terrorist groups, the government conveyed its sympathies towards the moderate Muslim communities who, they sensed 'are no less victims than other religious, ethnic or national groups' (Commonwealth of Australia 2003i: 14) and in an attempt to assuage regional fears pointed out that their activities seeks 'neither to misrepresent mainstream Islam nor in any way offend the sensitivities of Muslim communities in Australia and overseas (Downer 2004d). Rather, admiring Islam as 'one of the greatest religions of the world', the Australian Prime Minister would present a message of condemnation to Islamic extremist groups for 'obscenely hiding behind Islam' and falsely depicting 'any retaliation against terrorism as a generic attack on Islam' (Howard 2003c). However the government did add a caveat stating that the 'present danger comes from a network which is notionally Muslim in character and rationale' (Downer 2004d).

The focus behind the Prime Minister's glorification of Islam was primarily towards Australia's immediate neighbor and the world's most populous Muslim country, Indonesia. In Fact, prior to the Iraq war Howard would pay a visit to Indonesia and tried to clarify the government's stand. On the eve of his visit, Howard in a radio interview, would state that:

> Indonesia is the largest Islamic country in the world and I wanted the opportunity to say to the President that our concerns about Iraq were not, of course, based in any way on religion or Islam. We have no quarrel with Islam or Islamic countries. We do have a quarrel with countries like Iraq that have dangerous weapons. And understandably, there is a concern in countries like Indonesia and I think it's a good opportunity for me to talk very directly to her and explain because of the importance of Indonesia to Australia.
>
> (Howard 2003a)

And amidst Australia's discussions with Indonesia on a range of bilateral issues, most importantly over joint investigations of the Bali Bombings, both Howard and Downer would confidently state Indonesian acceptance of Australian stand against Iraq (Downer

2003b; Howard 2003c; 2003e). The Howard government would also narrow down their argument about the absence of conflict between Australia's 'history' and 'geography' by pointing out to the regional acceptance of Australia's Iraq policy. Howard, for instance, would state that Australia's participation in Iraq was 'not out-of-step with our neighbors' citing support from countries like Singapore and Thailand, other than Indonesia, of the coalition's operation in Iraq (Howard 2003e; 2004a). According to the Prime Minister, the Australian government was 'very careful to ensure that our region understands our involvement in Iraq' and the regional support was evidence of the fact that 'it is possible to be close to both the United States and to the nations of Asia' (Howard 2003e; 2004a).Similarly Downer (2003b), while pointing out to the strong defense relationship that the Southeast Asian countries like Thailand and Philippines have with the United States, noted that 'It is wrong to say that our region does not share Australia's concerns about the gravity of the threat posed by Iraq'.

Complexity between Alliance Relationship and Regional Engagement

The fact that Australia had to constantly put forward the message that the region understands the country's position in Iraq was also at one level reflective of the regional complexity in supporting the US position either in case of Iraq or Afghanistan. One reason for such complexity was the internal political dynamics of the regional states which significantly impacted their external policy making. The most pertinent case to the point was Indonesia – who enthusiastically backed the United States in the immediate post 9/11 period only to retract its support from US war on both Afghanistan and Iraq. In fact Indonesia President Megawati Sukarnoputri was one of the first leaders to visit the US after the 9/11 terrorist attacks wherein Indonesia signed a joint agreement with USA necessitating the building of a 'broad coalitions across cultures and religious affinities' to deal with the threat of terrorism (Sundararaman 2002: 395). However a year later she would condemn the use of force in Afghanistan by the US led coalition in face of domestic opposition from pro-Islamic groups like Islamic Defenders Front (FPI), Indonesian Muslims Students Action Front (KAMMI) and the Islam Youth Movement (FPI) who protested against the US attack on Afghanistan. While these groups did not have a mass appeal they nevertheless were a part of Indonesia's social and political

milieu capable of bringing pressure on the Indonesian government (Sundararaman 2002: 395). Opposition towards US was also evident in Malaysia as the pro-Islamic groups such as Kumpulan Militan Malaysia (KMM) as well as political parties like Islamic Party of Malaysia (PAS) demonstration against the US attack on Afghanistan. The latter in particular has orchestrated much of the opposition in the aftermath of the 9/11 attacks as it called for 'jihad' against the United States (Ibid: 395). In Philippines, the Moro Islamic Liberation front (MILF) condemned the terror attacks on the US and were supportive of the government's pro-US stand. However its alleged links with the Abu Sayyaf group complicated the government stand as it was in a process of negotiating a ceasefire agreement with the MILF during the time of the attacks.

The active presence of such Islamic groups in Indonesia, Malaysia and Philippines and some of their links with terrorist outfits like Al Qiada and Abu Sayyafmade some of the regional government's position difficult as they were battling separatist tendencies in their own territory. Faced with domestic pressure, the regional government had to go soft over the issue of global terrorism as any action against the pro-Islamic groups having considerable domestic popularity and support comes along with the risk of communal backlash. Whatever the domestic challenges, both Indonesia and Malaysia would however call for a limited military action against Afghanistan sparring the innocent civilians and also theinvolvement of the United Nations in restoring order. However when it came to the question of Iraq war a year later, both countries were more forthright in their condemnation of the US. Megawati called the US attack as 'an act of aggression, which is in contravention of international law' warning that such unilateral US action is a threat to the world order (Roberts 2003). Other Indonesian officials condemned America with phases like 'ringleader of terrorists', 'king of terrorists', 'worst human rights abuser' etc (Sydney Morning Herald 2003a). While the primary target of attack was USA, Australia conceived as a partner in crime was not spared either. Numerous anti-war demonstrations were held both before and after the war, the most virulent being the one held in Jakarta on 30 March 2003 involving around 200,000 protesters, where effigies of Bush, Blair and Howard were burnt denouncing them as war criminals (Ibid). And Malaysia, who had been a supportive of US war on terror, opposed Washington's extension of this war to include Iraq which, according to Mahathir, was

merely a side issue (Liow and Yong 2003). The Malaysian Prime Minister questioned the legality of the war as well as regime change in a sovereign country and saw the Iraq intervention as a sign of US imperialist intent. And he would also bracket Australia in the category of western nation which couldn't understand Asian sensibilities. There was almost a bipartisan acceptance of Mahathir's opposition to US action against Iraq. The Malaysian parliament unanimously put forth a motion condemning the US military action against Iraq while political parties like UMNO and PAS led anti-war demonstrations outside US embassy (Ibid).

Australian reactions to regional member states' policy on Iraq also tested its bilateral relationship. Ever since Australia decided to contribute forces to the US led coalition of the willing, there was a conscious attempt in asserting the point that such a stand would not affect its relations with the region and also hoped that the latter would understand Australian position. However the government also categorically stated that premature withdrawal from Iraq, once commitment had been made, would be dangerous as it would only embolden the armed insurgent groups as well as other rouge states. And whenever Australia saw the possibility of the latter, its policies also transformed from being a regional convincer to that of a critique. This was what happened in July 2004 when Philippines decided to pull out 51 peacekeepers from Iraq a month before its scheduled departure to release a truck driver held hostage by Iraqi insurgents. This evoked a strong reaction from Howard. Terming it a 'mistake' on the part of the Philippines government to negotiate with terrorist, the Australian Prime Minister pointed out, 'I don't believe in the long run it is going to buy the Philippines any greater immunity from future terrorist attacks' (Australian Broadcasting Corporations 2004a). Downer on the other hand would cite fresh cases of kidnapping and threats to Australia by the Tawhid Islamic Group immediately after Philippines' withdrawal and blamed the latter for encouraging the terrorists in making similar threats against other nations. The foreign minister said:

> This is the problem with the Filipino decision, you see….They've acceded to the demands of terrorists and within a day or so of the Filipinos doing that six more people were taken hostage in Iraq…Unfortunately, these actions have encouraged terrorists to continue these threats so now we are subjected, as the Italians are and the Poles and the Bulgarians, from this particular group, to further threats, and it's

very important we send a strong message that we will not be threatened by terrorist groups.

<div align="right">(Australian Broadcasting Corporation 2004a)</div>

The Foreign Minister's accusations would set off a verbal row between the two governments. While Howard would back Downer's comments as exemplifying the Australian governments' hardline stand against terrorists, Philippines National Security Advisor Norberto Gonzalez accused Downer for being 'narrow minded' and urged Australia and its coalition partners to reexamine the causes of intensification of insurgency in Iraq rather than making Philippines a scapegoat (Forbes 2004b). Philippine President Gloria Arroyo also clarified that he did not 'regret the decision' to call back the troops and pointed out that while his country remains committed to the global war on terror, it does not favor a stand 'that demands sacrifice of human lives' and that he will not be apologetic for being a protector of his own people (Ibid). The strain that the issue caused in the relationship can be gauged by the Philippine public reaction to Australia's comments. Demonstrations were carried out in Manila where protesters burnt Australian flags and effigies of Howard and Downer against what they perceived as Australia's blame game toward Philippines (Taipei Times 2004).

Australia's engagement with Southeast was also complicated by its regional policies which were in close synchrony with the country's overall strategic objectives. Such politics were primarily conditioned by Australia's threat perception towards the region and its policy responses to negate the threat both at the foreign and domestic level. Such policies can be grouped under three heads, with each level creating a sense of resentment in the region – the country's perception towards Southeast Asia, the regional dimension of its pre-emptive policy and the domestic legislations undertaken with the rationale of national security. As discussed in the previous section, the events of 9/11 and more so the 2002 Bali bombings have created a perception of Southeast Asia as a base for the growth of Islamic terrorism. After the Bali bombings, Australia issued travel warnings not only to Indonesia but also to Thailand, Laos, Cambodia, Myanmar and Philippines – countries seen as either a stronghold for Muslim extremism or suffering from lax security (Peck 2002). While travel warnings were issued by US as well, they were aimed at the Southeast Asian region in general. But the Australian warnings were

more specific targeting individual Southeast Asian countries. Foreign Minister Downer (2002c), for instance would urge Australians to depart Indonesia and defer all non essential travel to the country basing information of 'generic threats to Australians and Australian interests in Indonesia'. He would also cite intelligence information of Phuket being a potential terrorist target saying, 'We know from the Bali experience that you can't be too cautious, and we have had some information in relation to Phuket, and Phuket is a favored holiday resort for Australians' (Chongkittavorn 2003: 189). Similar warnings were also given with regard to Philippines and Malaysia with Australians, in the latter, cautioned to 'avoid any large public gatherings' (Peck 2002).The travel warnings, on the eve of the tourist season, came as a big blow to the tourism industry in the region. Bali, an immensely popular overseas destination was the worst affected. Thailand was also badly hit as the government got behind convincing around 30,000 visitors of 131 countries scheduled to take part in the World Scout Jamboree in December – the country's biggest international event ever (Ibid). Quite naturally, the regional governments, particularly Indonesia and Thailand, were upset over the travel warnings. The Australian Prime Minister would state those travel warnings as 'regrettable', realizing the impact it would have on their tourism, but also called them necessary 'as the government was to protect its citizens' and the warnings reflected Australia's 'current assessment of the relevant risk of travelling to particular countries' (Howard 2002e). Australia's position evoked an unfavorable response from Indonesia as they saw in Australia's as well as other western countries response to the Bali Bombings as hypocritical. Indonesian officials complained of double standards in the way western nations reacted to the events in 9/11 and that of Bali in 2002 – how in the former case citizens were advised to go on their with lives normally so that the terrorist don't succeed in their objectives of creating an atmosphere of panic and insecurity, whereas in the latter case citizens were given a contrary advisory of avoiding travel to Indonesia. Indonesian President Megawati Sukarnoputri would give similar arguments arguing that the travel warnings would create a lasting sense of panic and fear which would in turn encourage the terrorists (Allard 2002). Concerned about its effects on Indonesia's tourism industry, which according to Megawati 'was a key pillar in Indonesia's reconstruction that employed millions', the Indonesian President hoped that 'such travel bans or limitations

will soon be lifted' (Ibid). Similar arguments were also made by Philippines President Gloria Arroyo. In the APEC CEO's summit in Mexico, the Philippine President warned that the neglect of the economic imperative would only help intensify terrorist activities (Arroyo 2003). Howard on his part would stick to the primary objective of protecting Australian citizens. While he shared Megawati's concerns about the dwindling tourism in Indonesia, he would put the blame on terror attacks rather than Australian travel advisories and reiterated his government's stand of not taking risks with Australian lives (Howard 2002e). Like Indonesia, Thailand was also upset over Downer's warnings on Phuket, so much so that they set up a police investigation over the matter. The investigations reported of no such suspicious activity and criticized the western governments for their overreaction. Consequently, in the ASEAN annual summit meeting in Cambodia on November 2002, Thai Prime Minister Thaksin was the most vocal among all other ASEAN leader condemning Australian and other western nations' travel advisories as unfair and speculative, issued without any proper intelligence (Chongkittavorn 2003: 190). Denunciation also came from Malaysian Prime Minister Mahathir Mohammad who held the travel warnings as 'unreasonable' and claimed that Australia's closeness with the US will always be a detriment to the country's acceptance in Asia (Flitton 2003: 50).

Incidentally, it was in the 2002 Cambodia summit that the ASEAN member states signed the ASEAN Tourism Agreement which sought to make the region a single tourism destination through facilitation of travel into and within ASEAN, liberalization of passenger transport and attracting investment (ASEAN 2002a: 2-3). The agreement reflected the high priority that the regional members states held in the development of tourism. Naturally the association held any overreaction or unfair travel warnings from Australia and the other western nations as a determent towards its objectives. In the Chairman's statement, ASEAN expressed 'deep concerns regarding unnecessary negative travel advisories which have adversely affected tourism in the region' and called upon nations 'to refrain from issuing such advisories unless supported by reliable intelligence and analysis' (ASEAN 2002b). Indonesia and Malaysia even expressed reservations on Australia's bid to entry as a permanent dialogue partner at the Cambodian summit meeting. Informing about the rejection of the Australian bid, ASEAN officials told that

this happened 'after Dr Mahathir spoke out against the proposal and the Indonesian President, Megawati Soekarnoputri, expressed reservations' (Baker 2002). While Mahathir was always against Australian membership in regional forums, Indonesian reservations had lot to do with Australia's support for pre-emptive military action as well as over the travel warnings in the wake of the 2002 Bali Bombings. This undoubtedly was a hindrance to Australia's regional diplomacy and particularly since the country was looking to extend bilateral cooperation with Indonesia following the Bali bombings. There was also a feeling that Australia was lagging behind its engagement process with Southeast Asia compared to other prominent Asian players like China, Japan, South Korea and India who have a more prominent institutional role in the ASEAN structure.

Howard's message of a possible pre-emptive military action – even if on principle – also evoked strong regional response. Among the Southeast Asian States, the sternest criticism of Australian policy came from Malaysia. Epitomizing Howard as an arrogant 'white man sheriff in a black country' and his country standing out like a 'sore thumb trying to impose its European values in Asia', Mahathir warned that any act of pre-emption by Australia even for eradicating terrorist groups in the Malaysian territory would tantamount to an 'act of war' (Australian Broadcasting Corporation 2003a; 2012a; Camilleri 2003: 439). In Manila, protesters demonstrated outside the Australian embassy and the government accused Howard for 'hegemonic ambitions' and denounced him for advocating a violation of the principles of state sovereignty (Australian Broadcasting Corporation 2012a). Malaysia and Philippines also warned that Howard's assertions could lead to the termination of the Anti-terrorism agreement that Australia negotiated with these countries. Even Thailand and Singapore, who have been generally supportive of Australia's regional diplomacy, expressed their opposition to Australia's pre-emption policy.

Regional resentment were further exacerbated when Howard, in September 2004, announced the establishment of anti-terrorism 'flying squads' and pledged a substantial amount of resources in the tune of around $100 million to the plan. The plan consisted of establishing six teams of Australian Federal Police with state of the art equipments which could be deployed in the neighboring countries to destroy terrorist camps operational in those areas. Of the six teams two of them were to be placed outside Australia with

Indonesia and Philippines contemplated as 'high priority' countries. Howard justified the development of the squad to counter the problem of terrorism at its source and to stop it from coming to Australia (Australian Broadcasting Corporation 2004c). From a regional perspective the flying squad plan was akin to the implementation of the Australian pre-emptive policy in the region. Howard did mention about the implementation of the flying squad in close cooperation with regional neighbors. It was also anyway apparent that any deployment in foreign territory would not have been undertaken without the approval of the concerned country. However the regional reaction to the plan was indicative of the contempt the Southeast Asian countries had towards the flying squad and pre-emptive military action in general. Malaysia, for instance, would strongly react to Howard's plan to place Australian counter-terrorism teams in its soil saying that the country is capable of dealing with the terrorism themselves. 'We think we have the capability to deal with any threat of terrorism', was the reaction from Malaysia's Deputy Prime Minister Nazib Razak, as he made clear that the country would not allow pre-emptive strikes on its soil (BBC News 2004). He would even object to the fact that Australia haven't consulted Malaysia over the plan – indicating that Howard would have first taken the regional countries into confidence before unveiling the plan rather than start with declaration before talking about regional consultations. A similar argument was made by Imron Cotan, the Indonesian Ambassador to Australia, as he criticized Foreign Minister Downer for seeming to move away from his assurance about Australia not sending troops to intervene in the countries of the region (Ibid). Even Philippines ruled out any possibility of accepting any Australian flying squad in its territory as it would contravene the existing bilateral arrangements. 'Any intrusion by flying squad into Philippines territory is out of the question', clarified Philippine Presidential Spokesman Ignacio Bunye, reminding the 2003 MOU on cooperation against terrorism signed between the two countries which provided for a framework of collaboration in sharing of information and intelligence assessments (China View 2004).

And once again in order to assuage regional concerns Downer had to provide a clarification arguing that the flying squad proposal were for the 'failed states' unable to police themselves and was not intended towards and not for Indonesia, Malaysia, Singapore or Philippines which, the government pointed out, are Australia's partners in

the war against terrorism (BBC News 2004). However what may have irked the regional governments was that Australia did not deem necessary to properly consult them before unveiling plans which have a bearing on sensitive issues such a state sovereignty. And it also did not help the fact that the foreign minister himself challenged the absoluteness of sovereignty in justifying pre-emptive military action. At the deeper level such policies of pre-emption also occasionally plays at the hands of terrorist. It is because more than the killing of innocent civilians, the terrorist outfits seeks to instill a sense of fear and insecurity – insecurities that are sometimes aggravated when state sovereignty is looked down upon in supporting certain policies such as that of pre-emptive intervention. This necessitates a proper dialogue and confidence building – something which the regional complained of missing from Australian part. And the lack of proper dialogue over the issue was also reflected by gauging the strong regional reaction over an issue which is still in the hypothetical realm – whether it is preemption or the flying squad. Rather a perception was created of Australia as an American associate, closely aligned with the latter's strategic priorities at the cost of regional engagement.

Australia's association with the US in Afghanistan and Iraq has also complicated its regional relationship in the way the two interventions were perceived by Islamic communities in Southeast Asia. A significant development in Southeast Asia in the aftermath of Afghanistan and Iraq war was a spurt of conservative and radical Islamic movements, which propagated the message that the war not against any particular country or regime but against Islam (Sundararaman 2002: 394). These groups attempted to send a message to the moderate Muslims being the oppressed class in the hands of the west, inducing them to rage jihad against the west led by US. And the two wars did fuel Muslim resentment and radicalized a new generation of terrorists and insurgents. For example in Indonesia many young Muslims have registered to volunteer for armed jihad in Iraq, with groups like Islamic Youth Movements (GPI) and Islamic Defenders Front (FPI) witnessing a sudden revival and recruitment (Sydney Morning Herald 2003a).

This radicalization of young Muslims was a major concern both for Australia and the region. All the Southeast Asian states shared US concern about global terrorism and WMD even though they expressed reservations over the manner of overthrowing the Saddam Hussein regime. Many Southeast Asian states like Thailand, Philippines and

Singapore also have important defense links with USA which they perceive are vital for their nations' as well as regional security. And given their complex domestic political situation, most of the regional states were also wary about the radicalization of Islam and had tried to dispel the linking of Iraq attack as an attack on Islam. In Indonesia, for instance, the political leadership took the assistance of moderate Islamic organizations like Muhammediya and NahdlatulUlema, to prevent the citizens from getting swayed away by the radical preaching. Both these groups, having a combined membership of 60 millions, have condemned the Iraq war but have helped in dampening the passions aroused by it (Ibid). As Muhammadiyah's leader, Ahmad SyafiiMaarif, pointed, "This is a war against humanity and civilization. It has nothing to do with religion, the West or the East." (Ibid)

With Southeast Asia comprising of a significant Muslim population, including the world's largest one in Indonesia, any characterization of Afghanistan and Iraq war as anti-Islamic would be detrimental to Australia's engagement diplomacy. Consequently, since 2001, Australia had constantly tried to send the message that its cooperation with USA in Afghanistan and Iraq war is an attempt to counter the global threats of terrorism and WMD proliferation and should not be treated as against Islam. However Australia's own approach towards countering the terrorist threat had elements of ambiguity. While it tried to send across the message that Australia's policy towards Afghanistan and Iraq is not anti-Islamic, its own domestic anti-terror legislations reported a lot of grievances among the Muslim community residing in the country. Since 9/11 terrorist attacks, Australia under Howard was engaged in what has been termed as 'hyper-legislation', passing no less than 48 anti-terror legislations exceeding that of even USA (Williams 2011). Other than the number what has raised eyebrows was also the nature of such legislations and provisions that it incorporated. The laws introduced draconian measures such as restrictions on speech, detention and questioning even for citizens not suspected of any crime, banning of organizations, house arrests, detention without charge or trial up to 14 days, covert surveillance of non-suspects, warrantless searches of private property etc (Ibid).

Not only did such laws undermine democratic freedom, their application in Australian society was also biased as they were applied essentially to the Muslim community. The

banning of organizations and the raids conducted by the Australian Service Intelligence Organizations (ASIO) bears testimony to the fact. Almost all of the organizations banned by the Howard government were connected with Islamic ideology (Ibid). Similarly the 30 raids conducted by the AISO in November 2002 all constituted Muslim families (Chong 2006). The fact that none of these raids led to any terror charges raised questioned regarding the basis upon which such raids were conducted. Such measures naturally created resentment among the Muslim community and placed Australia in a vulnerable position. It also reflected the dual challenge that the Howard government faced. It had to formulate laws to counter the threat of terrorism while at the same time prevent isolation and resentment of the Muslim population to prevent being seen as anti-Islamic - a position which could greatly impede its engagement with the region.

To sum up, Australia's engagement policy with Southeast Asia cannot be seen in isolation as the relationship with USA had a vital impact on the same. Even though Howard claimed that Australia need not choose between alliance relationship and regional engagement, and the country is equipped to persue both, one can see the complexity and tension between Australia's two vital foregn policy goals. These tensions comes from a long historical narrative, which brings in focus briader questions such as Australia's identity as a nations, its strategic outlook, and the manner in which the regional states perceive them.

Conclusion

The study was an attempt to examine Australia's policy of engagement with Southeast Asia during the Liberal Coalition government of John Howard, whose four terms in office from 1996 to 2007 made him the second longest serving Prime Minister after Robert Menzies. However, as has been discussed in the introductory chapter, more than the length of the term it was the events that took place at the global and regional level during his tenure, and some if it preceding that, which makes Australia's foreign policy, particularly towards its own region, worthy of a detailed examination. Howard took office at a time when the post Cold war period was just in its fifth year, and Australia was finding its place in a transformed world, and more so in its own region, which was one of the hot spots of the east-west conflict for the last four decades. And throughout the course of the decade, from the time the Liberal Coalition came to power, Australia witnessed momentous political, economic and strategic development in the Southeast Asian region, developments which had far reaching impact on the manner in which regional economic, security and cultural outlook took shape. The perception that Australia and the nations of Southeast Asia held for each other as an offshoot of such regional developments and the manner in which it affected the country's policy of engagement with the region has been the attempt of the study. And in doing so the work, rather than taking Howard's period in isolation, places it in a historical narrative regarding Australia's identity and position as a nation, its relationship with great powers and the country's perception towards the region and vice versa. There is a necessity in doing so because, as will be seen in this entire section, some of the debates that emerged as a result of the regional development during Howard's term does have a strong historical connotation and needs to be studied in context. So how successful was Australia's policy of engagement with Southeast Asia under John Howard? To answer this requires an examination of three very significant aspects that underpinned his tenure. First, one needs to examine Howard's method of engaging with Southeast Asia, the continuities and transformations from his predecessors and political opponents, the linkage between Australia's regional perception and conduct of foreign policy and the manner in which one drove the other. Secondly one needs to examine the challenges and

obstacles that stood in the path of Australia's regional engagement. Such challenges came in different forms. It was as much an outcome of policy by both Australia and the regional states as it was of the developments that took place at the regional as well as the global level that necessitated such policy making. And finally one needs to evaluate Howard's success or failure of engagement policy in the light of those challenges, even though outlining a verdict purely in terms of those two words can be too simplistic at times. One therefore needs to make an assessment of Howard's term by examining whether and to what extent Australia could override those challenges, whether they emanated from perceptions, policy making, regional and global developments or a combinations of all of these.

The liberal coalition government of John Howard came to power replacing a labor government which made a name for it in engaging Australia with Asia, something they constantly projected and took pride of. Howard tried to break the labor's claim of monopoly in Asian affairs while at the same time establish a level of distinctiveness in foreign policy more so in the affairs of the region. So in the run up to the elections and after, there were constant assertions of the liberal party's rich history in promoting Australia's engagement with Asia. And that even in the current term this aspect constitutes the government's highest foreign policy priority.

At the same time, a foreign policy distinction was sought through claims that Asian engagement is not the only priority that Australia has. This was basically targeted at the labor government who, the coalition claimed, has emphasised too much on engaging with Asia which has cost Australia's relationship with other nations especially with that of the United States.While the coalition claimed that Australia has a distinct national identity, there was no concealing the fact that it was primarily a western nation and should aim to preserve its historical and cultural roots with USA. Other than the cultural aspect, the government also projected the importance of USA for its own strategic necessity as well as for stability of the region. The coalition looked at USA as a balancing wheel in Asia Pacific security, helping minimise tensions among the regional adversaries, but also assists in Australia's capacity development in the military domain to give the country a knowledge edge through access to advanced military technology. But to avoid falling itself into the trap of its own critique of labor, the government constantly

put forward the view that both these foreign policy objectives are not a zero sum game and Australia can and need to reinvigorate its relationship with USA while at the same time engage with Asia. However the latter will be done not at the cost of transforming Australia's identity, as the country will not be like an anxious outsider knocking on the doors of the region waiting to be accepted. The coalition tried to portray a balance between these two objectives by using the phase, which has now become synonymous with the Howard government's tenure, that Australia does not face a choice between its 'history' and 'geography'.

Besides prioritising Australia's broad foreign policy objectives, there were other areas where the coalition were critical of labor's approach and sought an alternate way of perceiving Australia's external relations. The coalition showed their displeasure towards Labor's use of, what they termed as, grand constructs and rhetoric's and professed to seek relationships solely based on the conception of Australia's national interest. For instance they were critical of the labor's use of 'special relationships' and going out of the way in developing foreign relations with the regional states such as Indonesia. The coalition, on the other hand, projected themselves as avowed realist, prioritising areas where Australia's interest lay and subscribed to the policy of being open and honest about their differences with regional states. For the coalition, it is the conception of Australia's national interest that should be the primary determinant of foreign policy, and it may entail making hard choices, sometimes even challenging the notions of state sovereignty.

In pursuance with their professed realist orientations, the coalition was also critical of the labor's excessive faith in liberal internationalist belief rooted on multilateralism, arguing that it is far adrift from reality. Arguing that methods should be judged by its outcome of fulfilling the country's national interest, the coalition showed scepticism about the multilateral process to attain practical benefits for Australia. In contrast, they rooted for bilateralism as a basic building bloc for Australia's foreign and trade policy maintaining that for the multilateral process to be successful, countries should have strong bilateral ties.

And finally, the coalition completely rejected the notion of middle power, whose behavioural traits are more often rooted on multilateralism, in conceptualising Australia's position and role in the international system. It is to be noted that the term middle power

had been constantly used by the labor government of Keating as they sought a more active role for Australia through niche diplomacy in regional affairs. In contrast, the coalition rejected the term in both in its quantitative as well as behavioural traits, arguing that it is a term with a limited scope that does not provide an appropriate explanation of a much more influential role that Australia can play in world politics than a middle power. The coalition would also put forward an alternate term, that of a 'pivotal' power, to ascertain Australia's position in the global and regional affairs.

The Howard government tried to project its foreign policy in general as well as towards the Southeast Asian region in tune with the above approaches. The term 'national interest', for instance, had been a constant feature of Australia's policy pronouncements throughout the Howard's term. The frequency of the usage of 'national interest' is not surprising, being the most synonymous concept with the realist approach to foreign policy, which the coalition projected itself to be. Even the title of the two white papers on Australia's foreign and Trade policy signifies the coalition's comfort with the term. But more importantly, 'national interest' had been the coalition's go to term when Australia either sought to justify its foreign policy to its domestic audience or come out of situations where regional perceptions towards Australia complicated its position as well as its engagement diplomacy. So whether it was reinvigorating Australia's relationship with USA, putting across the idea that Australia should not choose between US alliance and regional engagement, the transformation of Australia's policy towards East Timor, Australia's stringent approach towards asylum seekers, support for pre-emption and humanitarian intervention – all these issues were justified by using the phase of national interest.

The coalition also gave indications quite early in its tenure, whether it was through AUSMIN talks or extension of the joint use of Pine Gap or and joint exercises like Tandem Thrust, of its seriousness to develop Australia's relations with USA. The government also formulated the country's defence posture to include self-reliant defence as well as working with other countries, primarily USA, in overseas operation for the promotion and maintenance of regional security. The government also did not lose any opportunity to show its loyalty to its great power friend. Whether it is through support for the controversial Missile Defence Shield against rouge states, or the US counter-terrorism

policy amidst international criticism, Australia always stood by the side of USA. Post the 9/11 terrorists attacks the coalition made numerous references to notions of common values and way of life that Australia and USA share, and which was projected as a rationale for Australia's backing of US led war on terror. Consequently, in the context of invocation of ANZUS after the 9/11 attacks, the coalition defined Australia's relationship with USA as much more than a legalistic connotation of an alliance to include the virtues of history and tradition that lays at the foundation of the relationship. The government, by statements of invoking ANZUS after 9/11 attacks, didn't lose out on highlighting Australia support for the US, despite the fact that invoking an already living document is essentially symbolic. It also gave the coalition a wonderful opportunity to showcase the utility of the treaty, in face of views questioning the relevance of the same, signed half a century ago in a completely different set of circumstances and never being invoked since. Post 9/11, the coalition committed to cooperate with USA in any response that the great power deemed necessary, consequently which Australia joined the US led-intervention in Afghanistan and Iraq. It supported the US stand of redefining traditional state-centric concepts of imminent threat and self-defence, and challenged the absoluteness of national sovereignty, in tune with current strategic realities, so as to provide a rationale for pre-emptive strikes and humanitarian intervention. It not only stood by USA as Iraq war became a matter of intense international debate but even re-deployed forces in both Afghanistan and Iraq at the request of the great power. Such was the show of support that the government didn't held back in interfering in US domestic politics, as its critique of the then Democrat Presidential candidate Barak Obama over the latter's timeline for exiting Iraq signifies. All of these were to show Australia's support and assistance to the Bush administration in its difficult times, in whatever capacity it can, to demonstrate its seriousness in reinvigorating the relationship.

At the same time, Southeast Asia was accorded a vital place in Australia's foreign policy thinking. This was not new as geographical proximity naturally ensures that the region always remain important in Australia economic and strategic calculations. This was the case ever since the Second World War, where Japanese occupation of Malaya and Singapore demonstrated that developments in the region can have a vital impact on the country's national security. However what was significant during the Howard's

period was that regional developments led to a significant transformation of Australia's perception of the region. At the beginning of the coalition's term, the perception of the region was basically a continuity of the predecessor's views, of the economically dynamic region, and will continue to be so, which Australia needs to engage with. On the strategic front, the government put forward the view that the strategic priorities of Australia and Southeast Asia are closely aligned to each other and therefore Australia needs to work on the development of shared strategic interest through a network of linkages, but primarily bilateral. However links with ASEAN, the predominant regional body not only in Southeast Asia but also the broader Asia-Pacific region, was perceived to be of great significance, through which Australia can contribute to the emerging regional security architecture. However in general, the government remained sceptical, of the utility of the multilateral bodies such as the ASEAN, ARF and APEC to be anything more than a forum for discussion, to actually provide practical solutions to regional problems. Indonesia, because of its geographic location and influence in the region was accorded the most important bilateral relationship and a key component in the web of Australia's bilateral linkages with Southeast Asia. The coalition would also state the utility of the bilateral approach in aiding Australia's regional diplomacy. For instance, Australia's bilateral links with Thailand, Singapore and Philippines helped in garnering regional acceptance of Australia's leadership role in the INTERFET. Similarly the links between the militaries of Australia and Indonesia actually helped in the ground operations of the INTERFET, once the peacekeeping force intervened in East Timor. And most importantly, the counter-terrorism cooperation that Australia developed with Indonesia, moving on from the strained relations caused by the East Timor issue, was according to the government, a manifestation of Australia's practical bilateralism with Indonesia. Two developments, the financial crisis and terrorist attacks in Bali, led to a major transformation of Australia's perception towards Southeast Asia. The financial crisis undermined the coalition's prediction about the continued economic growth of the region and very soon Australia saw itself transformed from hoping to be a benefactor of regional growth to one providing financial assistance to the regional states to bail them out of the crisis. Similarly the 9/11 terror attacks, and even more so the Bali bombings, made Australia more watchful towards regional affairs. The presence of Islamic terrorist

networks and their links to the global terror outfits led to a major reassessment of Australia's threat perceptions as the country faced a direct threat from Southeast Asia. And Australia's most important bilateral neighbour Indonesia was the greatest concern for Australia, as its northern neighbour became one of most fertile ground for terrorist activities.

In line with its preference for relationship rooted on realism and practicality, the coalition was honest about the difference between Australia and the region. Right at the beginning of the tenure Australia put forward the point that Australia was a western nation with certain cultural traits and value system which is different from those of Asia, where the country is located. One such difference in perception, which Australia more often was vocal about, was over the issue of human rights. The coalition made it clear that Australia approach to human rights, rooted in liberal democratic ideas, is very distinct from some of the regional countries like Myanmar and Indonesia, where such rights are seen as a soft underbelly of domestic politics. The country also prescribed that these regional states need to meet the standards of human rights as is expected by them and the international community. The government maintained that it is in upholding the values of human rights that Australia decided to intervene in East Timor, even at the cost of inviting dispute with Indonesia. The coalition was pretty honest about the state of the bilateral relationship after the events in East Timor. They accepted that the relationship was going to a bad phase and will take time to build. On the other hand, the government was also clear that all this while the issue of East Timor was an obstruction to the bilateral relationship, and the positive thing that came out of East Timor was that now Australia can more away from a lop-sided situation and have a long-term stable relationship even though it may be a time consuming process. This was the coalition's way of accepting the fact that Australia tried to maintain a stable bilateral relationship with Indonesia with great difficulty, managing the domestic public opinion that were sympathetic to East Timorese as well as compromising on the values of human right which Australia so forthrightly claimed to adhere to. In a clear realist tone, the government stated that decisions, such as the one which Australia took in the case of East Timor or its support for the policy of pre-emptive military attacks are hard decisions, but foreign policy is all about making such decisions even when one has the knowledge about

the consequences, whether it is a straining a good relationship or violating a nation's sovereignty. The coalition would also factor in the cause of the regional financial crisis on poor governance of the regional states, and differentiate such governance with that of Australia, which they claimed was a reason why Australia went on from strength to strength even as the region was mired in the crisis. And when Howard was giving his preference for practical regionalism over cultural regionalism, he was also highlighting the cultural distinction between Australia and some the regional states, distinction which would not make possible any progress in relationship if cultural factors were the determining basis of regionalism.

So how distinct was Howard government's policy towards Southeast Asia? The coalition government, while putting considerable stress on the concept of national interest, stated itself that the national interest of a country does not change with the change of government. So whatever distinctive foreign policy approach the coalition government pursued, the basic foundations of Australia's policy towards Asia, conceived in terms of the country's national interest, remained more or less same throughout history. This was even as the dynamic political and economic landscape of the region resulted in transformation of Australian perspective towards it. Going as far back as the Second World War, it was the primary interest of securing Australia's borders from Japanese aggression, after the latter's occupation of Malaya and Singapore destroying the European imperialist buffer, that led to a shift from UK to USA as Australia's primary security guarantor. The threat to national security ensured that the shift was immediate, followed by assertions of cultural affinity with USA, which Australia once demonstrated towards UK. Interestingly, national interest formed the basis of Australia's regional diplomacy in the post war period, even as the country was identified as a prominent middle power. Australia's post war behaviour was a classic instance of normatively defining middle powers, associating the grouping with moral values and good international citizens, even as its occupation of high moral ground contradicted with its activities which were primarily self-interested and in anti-thesis of the values which it claims to uphold. There were numerous instances where the threat from Asia profoundly influenced Australia's foreign policy being framed in terms of national interest rather than good international citizenship, policies undertaken to assert its interest sometimes

even to the irritation of great powers. Bilaterally the most apt demonstration of national interest over good international citizenship is Australia's policy towards Indonesia. Australia's tactic appreciation of the Suharto regime, the country's support towards Indonesia's occupation of East Timor even going against UNGA resolutions, was in contrary to its proclamations of being adherents of self-determination and global justice. All of this to establish a strong bilateral relationship with the strongest and strategically located state in Southeast Asia in addition to the economic motive of utilising the recourse rich Timor Sea. And Australia's support for Indonesia continued even amidst constant human rights violation by the Indonesian military over East Timorese as well as opposition from a significant domestic populace who were sympathetic towards the East Timorese cause for independence.

The coalition government through refused to associate Australia as a middle power, a considerable deviation from the previous governments where the term has been constantly used to describe Australia's position and role in international and regional affairs. Since a considerable debate still exists as to proper definition of middle power, there are also views that question the fact as to weather a country cease to be a middle power if policy makers stops using the term. The coalition government, on its part used both quantitative as well as behavioural criteria to disassociate Australia as a middle power, arguing that it is a limited term that does not elucidate the ability of Australia to play a greater role than a middle power. The coalition's emphasis on bilateralism and scepticism towards multilateral institutions was in synchrony to their rejection of the middle power concepts, since coalition building and working through multilateral institutions were the most determining traits of middle power behaviour. Interestingly, it is these traits of middlepowermanship - working through multilateral institutions, proactive use of diplomacy to achieve select outcomes, good international citizenship, coalition building with like-minded countries etc. – which were evident during Australia role in East Timor. Australia worked within the overall direction of the UN towards the initiation of the peacekeeping force, it used considerable diplomacy in involving the USA in the peacekeeping process and to pressurise Indonesia to accept the force in its territory, Australia justified its policy towards East Timor on upholding the values of human rights, and most importantly it succeeded in bringing together a coalition of the

Southeast Asia states to provide some sort of a regional legitimacy to INTERFET lest it not be conceived as a case of western nations interference in regional affairs.

The coalition's emphasis on bilateralism, as a way of distinction from the labor government approach, also needs an examination. While there was no doubt that there was a certain degree of utility in the bilateral approach during the Howard's period, it did not mean that it was something of a unique feature of the coalition government. In fact there were elements of bipartisanism in perspectives towards both bilateral as well as the multilateral approach.For instance, bilateralism was a preferred more of regional engagement even during the Labor government of Keating. While Australia was supportive towards ASEAN and favoured the establishment of APEC and ARF, there was a realisation of the limitations of these multilateral bodies.Their informal decision-making, preference for consensus over voting, different perspectives among members, inability to take decisions on critical issues, made Australia remain sceptical regarding the practical utility of such bodies in areas such as dispute resolution, despite the good progress they have made, particularly APEC, in its early years. And like the coalition government, the Keating government also regarded Indonesia as Australia's most important neighbour. The Labor embraced the Suharto regime and recognised its sovereignty over East Timor, despite domestic opposition towards the issue, and projected the Agreement in Maintaining Security (AMS) with Indonesia, the first bilateral agreement that Australia signed with an Asian country, as the most significant achievement of Australia's engagement with Southeast Asia. On the contrary, it was the coalition government which in its initial years put considerable emphasis on the multilateral process, especially in economic matters as evident by Australia's proposal for an AFTA-CER. The reason behind this was the fact that there was a growing trend of Australia's export to ASEAN. Besides this, APEC along with negotiations for AFTA-CER was making good progress. APEC in particular, in whose formation Australia played a prominent role, was developing as a non-discriminatory and inclusive initative which was favourable to Australia as the country was looking for inclusion in the emerging economic and security architecture of the region. Rather, the government remained ambivalent towards the bilateral process, as Australia rejected bilateral FTA proposals from a number of countries, as they thought that bilateralism will distort trade

and investment flows, discriminate against non-members and create friction in the trading system. It was only from early 2000's that Australia turned its attention to bilateralism as multilateral negotiations like the AFTA-CER were stalled, while other bodies like AFTA, ASEAN and ARF were found to be ineffective in dealing with the problems of the region.

The coalition's critique of Labor's policy of going out of the way in developing relations with Asian states, of usage of grand rhetoric's and 'special relationships' also has some elements of contradiction when Australia relations with Indonesia and USA is put into perspective. Coalition's aversion to special relationship was specifically targeted towards Labor's policy approach vis-a-vis Asian states particularly Indonesia, as they also pointed out that unlike Labor's approach, Australia will not be like an anxious outsider knocking on the doors of Asia to gain acceptability. However there were occasions during the Howard's tenure where Australia seemed like an outsider requesting from inclusion. Nowhere was it more apt than Australia's attitude towards the ASEAN + 3 formed after the Asian financial crisis. Understanding that the formation of the APT is a manifestation of exclusive regionalism of Asian states, a kind of regionalism which Australia always wanted to prevent, the Howard government stated that that Australia will be apart of APT if allowed to do so. The rationale behind such a request was grounded on the fact that regionalism based on cultural rather than geographic criteria will always keep Australia to the outer. Moreover, two more aspects regarding coalition's critique of 'special relationship' needs an examination. Firstly, Australia policy towards the Southeast Asian nations, and more so towards Indonesia, during the early years of the coalition diverged little from that of its predecessors. Australia's reversal of its long established policy, of accepting Indonesia's sovereignty over East Timor as an irreversible process to pitch for the self determination of East Timor, were a result of external developments, over which Australia had no control, rather than a case of the country's initiative oriented policy. Secondly, while the coalition was uncomfortable with the notion of special relationship and going out the way in establishing them, its own approach towards USA was not wholly different. Australia under the coalition government gave whole hearted support to the US strategic objectives, constantly propagated the message post-9/11 that the country stands by USA in whatever response

the latter deems necessary, supported the US cause in Iraq even while the primary rationale for intervention stood falsified, gave nod to the principles of pre-emptive military strikes and did not deny the theorical possibility of its application towards the regional states - all of these was to establish a similar kind of special relationship that it was critical about.

The challenges faced by the coalition government in its regional engagement policy were also an offshoot of the country's foreign policy priorities and perceptions. And certain developments at the regional and global level, over which Australia did have any control, accentuated the differences between Australia and the region. Two significant events at the begining of Howard's tenure, the Hanson issue and the financial crisis, threw important light over the difficulties that still persists in Australia and some of the states of Southeast Asia to accomodate each other.

The Hanson issue reminded that despite the abolition of the White Australia Policy and embracement of the ethos of multiculturalism, old inhibitions towards Asians in Australia still remains. Hansonsim resurected old stereotypes, of Australia's racial and economic imperiative of excluisiveness towards Asians for creating a nation-state which was exclusively British in character as well as curtail low wage Asian immigrants into the country. Only this time the exclusiveness was more on economic lines, but nevethess challenged the entire narrative of regional engagagement rooted on the advocacy of Australia's transformation from a European outpost to a multicultural nation. The fact that Australia, on the other hand, was showing considerable seriousness in reinvorating relations with the United States, gernerated a perception that Australia were prioritising on strengthening its western linkages rather than engage with the region.

A reciprocal sense of exclusiveness, this time towards Australia, was generated by the Asian financial crisis. The crisis generated a pan Asian regional consciousness, whose institutional manifestation was the formation of the ASEAN+3, to the exclusion of Australia. Such exclusiveness was a result of the regional aversion towards western solutions to the crisis, which they felt compounded the situation. There was a considerable antipathy towards western ideas and principles and the IMF was seen as a manifestation of the neo-liberal agenda of the west to forcible liberalise the regional economies. The proposals for an Asian Monetary Fund revealed the scepticism of the

regional states towards the western liberal agenda for the fear of political instability. The formation of APT along with Australia's exclusion from ASEM, vetoed by Malaysia due to Australia's western identity, underlines the diverse perspectives of regionalism held by Australia and some of the regional states. In opposed to regionalism favored by Australia, based on economic and geographic criteria, nation's such Malaysia rooted for cultural regionalism on the rationale of prioritising internal cohesion and homogeneity over functionalism. The fact that Australia was excluded from APT and ASEM, despite the country's bail out packages for crisis effected states and claims of all weather friendship with the region, shows how identity issues played a part in regional aversion towards Australia. It did not help Australia's cause that its favoured institution of inclusive regionalism, the APEC, did not progress as expected and was ineffective during the crisis. The differences among the member states of APEC, whether to have binding targets for liberalisation or trade facilitation without targets, which resulted in the failure of the EVSL process, was reflective of the competing visions of regionalism. Australia's AFTA-CER proposal was also stalled over the differences among the ASEAN members, with Indonesia and Malaysia opposing the move.

The greatest challenge to Australia's preference to bilateralism also involved the above two Southeast Asian states. Malaysia under Mahathir Mohammad bluntly refused to accept Australia as a part of the region, propagated an exclusive form of regionalism based on cultural lines by excluding western nations such as Australia, vetoed the latter's participation in the Asian side of ASEM pointing out that if Australia has to join ASEM it has to be on the European side, and remained sceptical of most of Howard's foreign policy towards the region. But while Mahathir's opposition was more or less on expected lines, it was the deterioration of Australia's bilateral relations with Indonesia over the East Timor issue that shook the foundations of Australia's bilateral policy. The coalition government considered Indonesia as Australia's most important bilateral relationship and there were cases in the past when Australia used its diplomatic relations with Indonesia to negate the opposition from Malaysia. Australia's role in the events of East Timor was seen with considerable resentment in Indonesia. Australia's change in policy over the status of East Timor was considered as a case of betrayal towards Indonesia and constituting a violation of Indonesia's sovereignty. It is another matter that a blaming

Australia was a part of Indonesia's strategy to hide its own shortcomings in the maintenance of law and order in East Timor. There is another which needs consideration in the context of resentment towards Australia. It is that with both Indonesia and Malaysia, Australia's disputes emanated not only from its own policy-making but also as a result of being perceived as a western nation not in tune with Asian sensibilities. The difference being that Australia cultural association with the west generated Malaysia's resentment towards Australia during the financial crisis, where Australia was not directly involved, whereas in the case of East Timor, Australia's strategic alignment with USA generated negative reactions towards the country, perceiving the latter as a part of western conspiracy to destabilise Indonesia. After East Timor, the refugee issue deteriorated the relationship further. In fact Australia faced a lot of international criticism over its refugee policy, whether it was the country's detention process or the alleged harsh treatment to the asylum seekers or the Pacific solution. The Tampa issue was another low point in the relationship, with both Australia and Indonesia blaming each other over the fate of a group of stranded asylum seekers. John Howard was opposed to Hanson's views on Asian immigrants. However the Prime Minister own defence of the country's refugee policy, on the ground of protecting Australia's national interest thereby necessitating a hard-line stance against asylum seekers was not much different from Hanson. It gave a perception of Australia of an arrogant white fortress not receptive towards the Asians.

A key factor behind resentment towards Australia from some regional quarters was over norms which the regional states strictly adheres to. Some of the norms, such as non-use of force, peaceful settlement of disputes, and non-interference play a key role in underpinning regionalism in Southeast Asia and is at the heart of ASEAN. The socio-cultural norms of the 'ASEAN Way' remains sceptical of the western approach to regionalism characterised by a high degree of institutionalism, legally binding commitments and formal agreement. Even as Australia points out the distinctiveness of its values from the region, many in the region perceive those values as part of western values. Consequently there was a lot of resentment over Australia's intervention in matters such as Human Rights, which they believe to be country's domestic issue to be resolved according to the norms of the ASEAN Way. For instance, one of the reasons

behind Indonesia's displeasure towards Australia was over, what Habibie thought, Australia's unwarranted representations in Human Rights in Indonesia.

Another important norm underpinning ASEAN diplomacy is its informality, a tendency among the member states to engage in informal behind the scene diplomacy and consultations among themselves towards the resolution of disputes. There have been a number of cases where Australia's lack of it generated considerable negativity in the region. In the Tampa issue Indonesia displayed angst over Australia for openly blaming Indonesia in international forum rather than sorting out the matter through quite diplomacy. The events highlighted the lack of trust and communication between two nations which transformed a commonplace occurrence into a major diplomatic row. Australia was blamed yet again for overreaction over travel warnings in Southeast Asian nations following the Bali Bombings, which the region claimed was issued without proper intelligence and without any consideration of the economic consequences for the regional states. Similarly, the regional reactions to Australia's flying squad proposal were evident of the lack of dialogue and confidence building between Australia and Southeast Asia. Some of the regional states blamed Australia for not consulting the matter, which indicated that Australia would have taken the regional states into confidence before initiating policies which have a bearing on sensitive issues such as state sovereignty.

This issue of state sovereignty is of crucial significance for the regional states, flowing from the experiences of a tough nation-building process after decolonisation, and underpinned by the norms of non-interference. Quite naturally, any compromise on state sovereignty, particularly brought in by western nations such as Australia is bound to generate negative reactions. The coalition government experienced this for the first time when Indonesia blamed Australia involvement in the independence of East Timor as constituting a violation of Indonesia's sovereignty. While it is true that the INTERFET operation where Australia played a leadership role had a UN mandate, Indonesian resentment towards Australia flowed from the concern of similar Australian activities in other separatism affected provinces of Indonesia. Such concerns amplified by the alleged remarks from Howard, popularly conceptualised as Howard Doctrine, of Australia acting as a deputy sheriff to the United States, intervening in the regional states to maintain order with US backing. While Howard's refused to ever using the term, the US did not

decline the possibility of Australia taking a leadership role in regional affairs with possible future interventions, like the one that happened in East Timor, to restore democracy and political stability. But Australia did provide support to the US missile defence plan, and agreed to the use of the Pine Gap as a part of the Theatre Missile Defence (TMD) program for forward deployed US forces and allies against rouge states.

With all these things put together, Australia's constant assertion of the distinctness between East Timor and other Indonesian province, of the fact that the circumstances surrounding East Timor were different and the Australia recognises Indonesian sovereignty over the other provinces, failed to eradicate Indonesia suspicion. Howard was termed as arrogant and acting as an American stooge, and done more than any other Prime Minister to damage Australia's relations with the region since the dismantling of the White Australia Policy. ASEAN expressed concerns about TMD for its potential to fuel US-China conflict with destabilising effect on regional order. Australia support for pre-emptive action, and proposals for flying squads, similarly evoked strong regional reactions, perceiving these as amounting to an act of war and violation of sovereignty. What was noteworthy was that criticism of such Australian policies not only came from Indonesia and Malaysia, with whom bilateral relations were already poor, but also from Thailand, Singapore and Philippines, countries who were generally receptive to Australian policies.

The issue of pre-emption came to the limelight in the context of the 9/11 terrorist attacks and Australia's subsequent support for US counter-terrorism strategy. Such support generated different set of complexities vis-a-vis the Southeast Asian countries. To being with Australia has to constantly sent the message that Australia's support for war against terrorism is not a war against Islam. It also had the difficult task of convincing the message that Australia's support for US interventions, particularly the controversial one in Iraq, is not out of steps with Australia's neighbours. The fact that Australia had to constantly send across the message of support for the Islamic faith demonstrates the complexity of the situation. Such complexity arose from the fact that many radical Islamic movements in the region spread the message among the moderate Muslims, of the war being against the Islamic community, inducing them to rage jihad against the west. The fact that the war on terror radicalised a new generation of terrorists

and led to many young Muslim recruits in Southeast Asia for armed jihad, demonstrated the perception of communities against western nations. The influence of such Islamic groups in Southeast Asia, led many states like Indonesia, Malaysia and Philippines to be cautious in their support for US led interventions in Afghanistan and Iraq. While support for intervention in Afghanistan were partial, many Southeast Asian nations out rightly opposed the US led intervention in Iraq. States such as Indonesia and Malaysia questioned the legality of the war against Iraq, of regime change in a sovereign country, and saw it as an act of aggression in contravention to International Law. Demonstration was held not only against US but also its allies such as Australia for supporting the so called imperialist intent of the great power. Interestingly, it was the USA its allies that were categorised as an abuser of Human rights, demonstrating the contextual nature of such concepts. Australia's domestic counter-terror legislation was also ambitious and did little to dispel regional attitudes. The country's so called hyper legislations, their draconian nature and biased applications, banning of Muslim organisations, raids in Muslim families, and the fact that none of these raids led to any terror charges – all generated an image of Australia far away from the principles of multiculturalism and in ignorance of regional sensibilities.

In the above context of Howard's approach to engagement with Southeast as well the challenges Australia encountered, how does one access Australia's success in its engagement policy? If one examines the decade of Howard's tenure, there can hardly be any doubt that Australia's preference for bilateral engagement achieved considerable success in Australia's economic and trade relations with Southeast Asian nations. Australia's Free Trade Agreements with Singapore, Thailand and Malaysia was evidence of the positive outcome of Australia's bilateral approach. It is even more note worthy that Australia's FTA's during the Howard's tenure were basically the beginning of bilateral trade agreements that Australia initiated with any country, a major change in approach as Australia's was sceptical even during the coalition's term to move away from the multilateral trade negotiations. For instance, Australia FTA with Singapore was the country's first FTA negotiations with a Southeast Asian country, and only the second overall after the CER agreement with New Zealand way back in 1983. Initiation of bilateral FTA with Singapore, among all the other ASEAN nations, though was on

expected lines. Both nations had a good political, economic and trade relations and also share a similar outlook towards trade liberalisation. Australia's largest volume of trade among Southeast Nations was with Singapore with negligible trade barriers. Singapore was also the most eager among the ASEAN nations towards trade liberalisation and like Australia favoured the formal binding mechanism within APEC to speed up the liberalisation process as well as supported the package liberalisation scheme of the EVSL process. Singapore also favoured Australia's inclusion in the Asian side of ASEM and was the first country to propose the feasibility of the AFTA-CER process. The adoption of the negative list approach in SAFTA, was in itself a breakthrough in the negotiations and was evidence of the shared economic and trade interest among the two nations. For Australia, SAFTA also helped in the projection of the feasibility of bilateral FTA's among other Southeast Asian states. It did pay dividends as Australia's next FTA with Thailand was on the pipeline even as the SAFTA negotiations were going on. Thailand was also in lookout for FTA's as an alternative as it was emerging from the financial crisis. And like Singapore, Thailand was supportive of the AFTA-CER idea. Even though FTA with Thailand was less comprehensive in scope than SAFTA, being based on the positive list approach, the agreement with Thailand was a significant political success in moving Australia's bilateralism forward. From a political point of view though, the most significant FTA was with Malaysia. It does not mean that economic incentive was lacking, as Malaysia was Australia's second largest trading partner among ASEAN states. It was just that the FTA negotiation that the coalition initiated with Malaysia was a major progress in bilateral relations in the post Mahathir period, as the erstwhile Malaysian leader more often than not tried to stall Australian attempts to engage with the region. Towards the final phase of the coalition's term the revival of the AFTA-CER process, which had been stalled for a since 1999, to build on the existing CEP towards negotiations of an FTA was also a considerable achievement, this time in the multilateral arena. The negotiation was a landmark event for both Australia and ASEAN. It was Australia's largest FTA, the first multilateral one and the most comprehensive one that ASEAN has signed with a dialogue partner. Not surprisingly, the coalition termed it a watershed in Australia's trade policy and a historical development in Australia engagement with Southeast Asia. Politically the most significant bilateral relationship,

the one which remained in limelight for a considerable period of the coalition's tenure, was Indonesia. In the decade of the Howard's tenure, Australia relationship with Indonesia went through significant transformations, beginning with the usual bipartisanism of Howard's policy to a severe turmoil in relations due to the developments in East Timor followed by restoration of normalcy in the post Timor period. The fact that by the end of the Howard's term Australia could restore some semblance of stability and cooperation with Indonesia was a major achievement considering the state of the bilateral relationship in the aftermath of the self-determination of East Timor. One reason why Australia could do so was because, one of the most important facet of the relationship, the military ties between the two nations continued even as the critics questioned Australia's policy in light of atrocities committed by the Indonesian military over pre-democracy and pro-independence groups in the country. Even though there was a suspension in 1998, it was only temporary based on the rationale based on the rationale of cooperating for reforming the Indonesian military. The military links came in handy during the tough period of East Timor's transition towards independence. Australia cooperated with Indonesia in airlifting East Timorese and UNAMET officials from East Timor following the post ballot violence. And it was the understanding between TNI and Australian forces, developed through a substantial period of defence cooperation, meant that INTERFET operations in East Timor went largely uninterrupted. In 2001, only two years since the East Timor issue, exchange visits by the both the head of states in each other's country, in Indonesia's case the first President to visit Australia after 25 years, was evidence of a new era leaving the bitterness of East Timor behind.

The war on terror provided a significant context for Australia's cooperation not only with Indonesia but also with other states of the region. Australia's counter-terrorism policies may have generated negative reactions in the regions, but there was no doubt that the diffusion of the threat of terrorism in Southeast Asia did led to practical cooperation with Australia. A series of MOU's that Australia signed with Indonesia, Malaysia, Thailand, Philippines, Cambodia and Brunei, covering information sharing, intelligence exchange, cooperation among law agencies, capacity building etc. were evidence of Australia's strategic engagement through such practical cooperation. The MOU, for instance, led to cooperation between the law enforcement agencies of Australia and

Indonesia in joint investigation of the Bali and Jakarta bombings. The resumption of training exercises between Indonesian and Australian forces in 2005, after a gap of seven years followed by the 2006 security agreement, more comprehensive in scope than the AMS, showed that the bilateral relationship was back on track after the low point of East Timor issue.

There were other instances as well which showed a sense of acceptance of Australia by the Southeast Asian states in regional affairs. The most significant one was regarding the composition of the INTERFET. The fact that INTERFET had a significant regional composition, showed the acceptability among all the Southeast Asian nations of Australia as a leader in regional peace-keeping operation. It also showed that exclusiveness towards Australia, based on its identity as a western nation, was not strong enough to hinder Australia's influential role in regional affairs. And the INTERFET operation, as well as the revival of the AFTA-CER process stood as evidence of the coalition government's remark that multilateralism attains success when states have strong bilateral ties. Other than INTERFET, another evidence of Australia's acceptance was over Australia's relief operations after the 2005 Tsunami disaster. Australia's joint operations with Indonesia in relief works in Aceh, one of the worst hit regions, and more importantly a province affected by separatist movements making it a primary the bone of Indonesian suspicion towards Australia after East Timor, was demonstration of a transformation of the relationship.

Over all the study showed that the Howard's government's policy of engagement did give dividends in Australia's relationship with Southeast Asia. The engagement was most pronounced in bilateral aspect, and in ceratin cases strong bilateral relations also provided the impetus towards multilateral engagement. But at the same time the study also reflected that the success of Australia's engagement was more circumstantial, with developments at the regional and global level proving the major impetus towards engagement, rather than Australia's pro-active policy making. In other words, engagement was more reactionary to regional and global developments rather than the country's initiative oriented diplomacy. Whether it was the Asian financial crisis, the self determination of East-Timor, the events of 9/11, the Bali and Jakarta Bombings, or even the 2005 Tsunami – events such as these, over which Australia had no control, proved to

be a major catalyst in Australia's regional policy. These events worked both ways, creating a sense of exclusiveness towards Australia while at the same time provided opportunities to Australia and the region to engage with each other.

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