

THE BIG PICTURE: AUSTRALIA CAPITALISING ON THE ASIAN CENTURY

Against the backdrop of an epochal shift in its economic and strategic environment, Australia faces significant challenges in not positioning itself to magnify regional power outside Oceania and yield the greatest possible long-term benefits for Australian society in the Indo-Pacific. Although Australia possesses the unique geographical advantage of bridging the Pacific and Indian oceans at the southern edge of a region that is estimated to represent 66 per cent of the global middle-class population¹ and generate 70 per cent of the world's added capital stock by 2030², there is a great risk of a "diminishing sphere of influence."³ As a state actor with the capacity to not only underpin its future security and prosperity⁴, but also to advance beyond the status of a 'middle power' in the region, the current government's approach to foreign policy in the Indo-Pacific is neither adequate in strategic depth nor vision to seize these opportunities. Looking forward, it is imperative for the government to follow a two-pronged foreign policy framework focused on deeper integration with Asian states on a diplomatic and security level through the proactive use of foreign policy instruments and the promotion of Australian 'soft power' in the region in order to thrive in this 'Asian Century.'

Unless the Australian government heavily invests in the sources of its regional power, its ability to shape the geopolitical environment around it will wane significantly compared to other states in the Indo-Pacific over the coming decades⁵. Given the seismic changes occurring in the power dynamics of the region⁶ and its importance to Australia's national interests pertaining to national security, economic prosperity, the maintenance of regional relationships and a favourable international standing, it is vital to become more engaged in the Indo-Pacific and be committed to debating what former Prime Minister Paul Keating describes as "the big picture." Yet, according to Dr. Ken Henry, sections of the Australian public are "cynical about the vision thing"⁷ and when coupled with the negative media coverage some MPs receive for engagement with international issues not directly concerning their constituency, as noted by Tim Watts and Clare O'Neil, "our political debate is preoccupied with our own backward, fixated on the partisan and parochial."⁸ Indeed, when 68% of the public do not consider Australia to be part of Asia⁹, such a mindset needs to change if Australia is to play a defining role as a state actor in the Asian Century.

While retaining a foreign monarch as Australia's head of state buttresses the view of Asian states that the government is inextricably 'Anglospheric' and subservient to other powers despite 10 percent of Australia's population born in Asia¹⁰, Australian leaders should prioritise in pursuing practical solutions aimed at adapting to the reversal of what American political scientist Samuel Huntington coined "the Great Divergence"¹¹ that emerged with the Industrial Revolution. Diplomatically, in addressing the deficiencies of Australia's present outlook towards Asia, the government should base their foreign policy on the renewal of three key pillars: diplomatic infrastructure, soft power, and foreign aid. With regards to

¹ Pezzini, M. "An emerging middle class", OECD Observer, 2012

² Asian Development Bank, "Asia 2050: Realizing the Asian Century", March 2011, pp.22

³ Keating, P.J., The Keith Murdoch Oration: "Asia in the New Order: Australia's Diminishing Sphere of Influence", November 2012

⁴ Commonwealth of Australia, "Australia in the Asian Century" White Paper, October 2012, pp.223

⁵ O'Neil, C.E. & Watts, T.G. "Two Futures - Australia at a Critical Moment", 7 August 2015, pp.185

⁶ Henry, K.R. Cunningham Lecture, Academy of the Social Sciences in Australia, November 2012,

⁷ Ibid

⁸ O'Neil, C.E. & Watts, T.G. "Two Futures - Australia at a Critical Moment", 7 August 2015, pp.174

⁹ Cook, M., "If 'Asia' exists, is Australia part of it?", The Lowy Institute for International Policy, April 2012

¹⁰ Megalogenis, G., "Australia's Second Chance", September 2015, pp.276

¹¹ Wesley, M., "There Goes the Neighbourhood: Australia and the Rise of Asia", 2011, pp.116

defence, there should be a primary objective of a stable Southeast Asian region, complemented by a focus in the medium-term on the advancement of Australia's amphibious capabilities, and in the long-term, the development of a common regional security network.

In an increasingly heteropolar and interconnected world with the rise of non-state actors, it is essential to possess what American political scientist Joseph Nye coined as 'soft power' – the ability to shape actions of other global actors through un-coercive means. The 2016/17 Monocle Soft Power Survey ranked Australia sixth in the world – however, in terms of Australian soft power influence in Asia, a 2015 report for the Australian Council of Learned Academies, 'Smart Engagement with Asia', revealed a "soft-power deficit."¹² To tackle this issue as part of deeper engagement in Asia on a diplomatic level, the government should build what the 'Australia in the Asian Century' White Paper referred to as "people-to-people links"¹³ by making Asian languages compulsory in primary school, connect every Australian school with a sister school and promote cultural exchange programs. Furthermore, it is imperative to further support regional scholarships like the 'Australia Awards'¹⁴, and the 'New Colombo Plan'¹⁵ which bring intelligent young leaders to Australia and assist Australians studying in the region, given international education can play a massive role in developing enduring personal relationships.¹⁶ For Australia to fully reap the benefits of the people-to-people connections in the Asian Century, the government should consider the establishment of a larger and more prestigious scholarship, similar to the Rhodes scholarship, for ASEAN states. The creation of such a competitive scholarship would also create an esteemed pool of alumni with a common bond, boosting Australia's social and economic networking with Asian states over the long-term.

The second component of bolstering diplomacy should be upgrading Australia's diplomatic infrastructure. According to a report by the Lowy Institute of International Policy, 'Diplomatic Disrepair', Australia is ranked last in the G20 for the total number of diplomatic missions abroad. This is exacerbated by the fact that DFAT's overseas network is 37% smaller than it was two decades ago, despite massive growth in the Australian public service, and only 10 per cent of DFAT staff have working-level proficiency in any Asian language.¹⁷ The report also warned that Australia's overseas diplomatic network remains chronically underfunded and overstretched, jeopardising Australia's economic, political and security interests.¹⁸ To resolve Australia's outdated and inadequate diplomatic infrastructure, the government should pursue a number of policies, following the recommendations of the report and suggestions from other analysts and experts. Firstly, Australia should increase the number of diplomatic staff, particularly in consular and policy areas, and invest more resources in Asian language training programs. Secondly, the government should conduct a comprehensive review and reorganisation of public diplomacy to produce a coherent strategy and invest more than the \$4.7 million worldwide¹⁹ that it did in 2014-15. China has invested over \$6.6 billion on television and radio broadcasting over the last few years,

¹² Ang, I., Tambih, Y. & Mar, P., "Smart Engagement with Asia: Leveraging language, research and culture", Australian Council of Learned Academies, March 2015, pp.25

¹³ Commonwealth of Australia, "Australia in the Asian Century" White Paper, October 2012, pp.1

¹⁴ Ibid pp.25

¹⁵ Department of Foreign Affairs and Trade, People-to-people – New Colombo Plan

¹⁶ Ibid pp.101

¹⁷ Oliver, A. & Shearer, A., "Diplomatic Disrepair Rebuilding Australia's International Policy Infrastructure", The Lowy Institute of International Policy, August 2011, pp.ix

¹⁸ Ibid

¹⁹ O'Neil, C.E. & Watts, T.G. "Two Futures - Australia at a Critical Moment", 7 August 2015, pp.199

including their China International Broadcasting Network (CIBN), which is available in 61 languages²⁰. Australia should rebuild and expand Australia Plus as a television network to promote Australian culture and news in the region. Thirdly, DFAT should organise more diplomatic missions in the Indo-Pacific and should form an office dedicated to a department-wide e-diplomacy strategy and embrace the opportunities that exist with regards to new social media platforms.

Australia's foreign aid is a fundamental component of the government's ability to shape the Indo-Pacific region, given the domestic circumstances of Asian states has direct implications for the effectiveness of Australia's trade, diplomatic and defence policies. Australian aid makes a substantial difference in ensuring that the region is stable, secure and growing economically.²¹ Yet, despite this, Australia's Official Development Assistance (ODA) as a proportion of Gross National Income is forecast to continue to fall to a record low of 0.22 per cent in 2017–18²², well below the international target of 0.7% national income in foreign aid. The Indo-Pacific is especially vulnerable to climate change, with the locations of massive, densely populated cities and the poor public infrastructure within them exposing the region to disastrous weather events.²³ Over the coming years, droughts and changing climate patterns will have a major impact on water supplies in many states, and the difficulties in reimposing authority over affected areas, as well as conflict over natural resources and handling great numbers of displaced people, all have the likelihood of engendering regional instability.²⁴ Australia's international aid assistance can mitigate these future risks²⁵ and strengthen Australia's influence with other states, reinforcing our capacity to achieve national interests in multilateral forums, improving the government's international standing, and fostering closer ties between Australia and the recipient states.

When considering closer security links with the Indo-Pacific, it must be recognised that the mutual interests and values of Australia and the United States mean that the ANZUS alliance will remain a major component of our foreign policy for the coming decades.²⁶ However, Australia's strategic priority must be to assist in shaping a regional environment that enables the government to continue to maximise the benefits of the ANZUS relationship in a markedly transformed Indo-Pacific. It is in Australia's national interest to increase its clout with the United States and China as a strategic partner by offering value in the form of expertise and influence with the emerging states of Southeast Asia, including Indonesia, Thailand, Malaysia, the Philippines and Vietnam. As part of this aim, the Australian government should ensure the primary objective of Australian defence policy is a stable Southeast Asian region, within which the ADF is able to deter threats to Australia's sovereignty. The government should expand air and undersea surveillance including sea-denial capability and ensure amphibious capabilities are coordinated across the armed forces to conduct regional-stabilisation exercises. Furthermore, Australia should continue its focus on sustainable, ongoing submarine and naval shipbuilding, and in the long-term, the government should also consider facilitating in the establishment of a regional air and maritime surveillance network that is accessible by Australia's defence partners in Southeast Asia.²⁷ It is crucial to Australia's strategic future that there is a secure and stable Indo-Pacific region which ensures continued

²⁰ Oliver, A. & Shearer, A., "Diplomatic Disrepair Rebuilding Australia's International Policy Infrastructure", The Lowy Institute of International Policy, pp.ix

²¹ Clarke, M., "How Australian aid in Asia can benefit those at home", The Conversation, October 2011

²² Hill, C. "Australian foreign policy in 2017: a year of delivery?", Australian Parliament House, March 2017

²³ International Fund for Agricultural Development, "Climate Change Impacts in the Asia/Pacific Region", December 2012

²⁴ Ibid

²⁵ Stephens, T., "As Asia faces climate change upheaval, how will Australia respond?", The Conversation, April 2012

²⁶ The Commonwealth of Australia, Defence White Paper, 2016, pp.121

²⁷ O'Neil, C.E. & Watts, T.G. "Two Futures - Australia at a Critical Moment", 7 August 2015, pp.195

American engagement, and an appropriate recognition of China within the power structures of the region, but avoided active strategic competition between these great powers.²⁸

Despite the current government's foreign policy focus in the Indo-Pacific primarily characterised by free trade, for Australia to fully capitalise on the Asian Century, it is imperative for the government to follow a diplomatic and defence foreign policy framework focused on deeper integration with Asian states through the renewal of diplomatic infrastructure, soft power, and foreign aid, and a strategic focus on a stable Indo-Pacific whereby Australia elevates itself as a regional power. Thus, Australia faces a choice in the looming decades: to drift into our future, or to actively shape it.

Word Count: 1994

²⁸ White, H., "A Middling Power: Why Australia's Defence Is All At Sea", *The Monthly*, September 2012