

# Australia's Fear of Abandonment: Foreign Policy in an Era of Global Change

By Allan Gyngell

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I want to make a pitch for two unfashionable ideas - history and foreign policy.

Each of them has been marginalised in different ways in recent years.

History has been squeezed as a discipline in the education system whilst the ubiquity of social media reinforces a sense that we are living in a perpetual present.

And foreign policy has been overshadowed since the beginning of the century by the dominance of national security policy, the area which has received most political attention and national investment.

But if there was ever a time we need both history and foreign policy, it's now.

I wrote this book because I think that if you want to chart the path forward, it is important to know how you got here, what has worked and where we have failed.

In a formal sense, Australian foreign policy is very recent. Not much older than my own lifetime.

It began in 1942 when Australian leaders, facing a perilous threat from Japanese forces and, recognising that the nation's interests were irrevocably diverging from Britain's, finally ratified the Statute of Westminster. This was legislation, passed eleven years earlier by the British Parliament, which gave the overseas dominions of the Crown such as Canada, South Africa and Australia, full sovereign identity in the world, including the right to sign treaties and establish diplomatic networks.

Seventy-five years later, we are facing another global shift, not as perilous as in 1942 but much more complex. In my view, the post-war global order in which Australia's foreign policy has existed, has ended.

The war aims of the allies, set out in the Atlantic Charter and cemented in the development of institutions like the United Nations, the World Bank, and the IMF had globalising ambitions, both peacemaking and prosperity-building.

That period is over. America First may be the rallying cry of the Trump administration, but across the world from Britain to Russia, Japan, China, India and Turkey we are seeing evidence of stronger nationalism and growing protectionism.

The empirical data on trade and investment flows, on treaty making and multilateral agreements, point in the same direction. Global Foreign Direct Investment (FDI) was down 13 percent in 2016. Growth in the volume of trade is falling and values are declining across all markets and product sectors. Non-tariff barriers are rising.

I don't mean that globalisation has ended. The technologies it has given us will not be discarded or uninvented. But globalism - the globalising norms which shaped the second half of the 20<sup>th</sup> century - is, for the time being at least, in retreat.

New arrangements and approaches will replace it and foreign policy will determine what these are. Australia needs to be helping to construct the new order and protect what is important from the current one just as we did through Evatt at the San Francisco conference.

Foreign policy is a part of statecraft - the way the government of a country positions itself for the future. Statecraft involves all the elements that shape a nation's place in the world - a robust economy, a resilient society, strong institutions, an effective defence force. Members of the National Press Club reflect on those daily.

Foreign policy's role is to expand the space available to Australia in the international system within which it can advance its interests and promote its values.

Foreign policy can be messy, complicated and ambiguous. It sits uncomfortably with our national image. Its practitioners are reluctant - too reluctant, in my view - to talk about it. The stories it tells of lengthy negotiations and backroom deals in distant conference rooms, whatever the value of the product, are hardly the stuff of national mythmaking.

In the course of my own professional life we have seen three great changes in the global system: the collapse of the Soviet Union which ended the Cold War world; the terrorist attacks in September 2001, which showed that non-state actors could change the behaviour of major states; and the global financial crisis, which signalled the end of the economic hegemony of the industrialised West and helped fuel the resentment which led to Brexit and the election of Donald Trump.

It was easy enough to explain why these things happened after the event, but it was impossible to predict them. So one important function of foreign policy is to ensure that, whatever happens, we have options available to us.

Foreign policy's time is coming again. We are returning to a world in which nation states will matter more and foreign policy's sober and calculating traditions of reciprocity will find fresh relevance in what is shaping up as a more transactional era.

I was initially reluctant to use the title *Fear of Abandonment* for this book in case it suggested that I was aligning myself with the view that Australia has been a timid or frightened country. I don't mean that at all, although there have certainly been times in our past, such as the engagement in the Vietnam War, when anxiety has driven us. On the whole, however, I think that the fear of abandonment has been a rational response to the strategic dilemma Australia faces. And it has been the driver of our activist engagement with the world, the cause of our unceasing efforts to secure a seat for ourselves at the international table at which decisions are being made, even when we have had to play a part in the furniture making.

We have sometimes exhausted our neighbours. 'You are blessed with a country that is rich in ideas and initiatives' the Indonesian foreign minister, Wirajuda, noted wearily in 2004. 'Unfortunately we seem to be on the receiving end of most of them'.

Our fear of abandonment is the reason isolationism has not, since the 1930s at least, been a significant strand in Australian foreign policy.

Ever since 1942, Australian governments, both Labor and Coalition, have responded to the fear in three separate ways.

By establishing a close alliance with a more powerful external partner, first Britain then the United States.

By working to shape the region of the world closest to us in Asia and the Southwest Pacific in ways that make it more conducive to our interests.

And by recognising that, as a country big enough to have global interests but too small to be able to advance them by throwing our weight around, Australia is best served by a world in which the rules, whether of trade, or war, or the law of the sea, are clear and which we have played a part in setting.

The interweaving of those three themes is this story the book tells.

I think the history reflects well on us despite the mistakes we have made and the occasional clumsiness of our execution.

The evidence is around us. We are prosperous and secure. We have good relationships with the countries that matter most to us, including the world's most powerful state, the United States, and the rising economy of China.

We have helped to construct the global order from the United Nations Charter to the formation of the G 20, and to develop some of the most important of its collective rules.

We have managed a mighty transition from seeing ourselves as a monocultural branch office of the British Empire to a successful multicultural society with a global outlook and an economy overwhelmingly focussed on Asia.

What lessons can we learn from our history about future success in foreign policy?

First, timing is everything. The great 19<sup>th</sup> century German Chancellor Otto von Bismarck noted that a statesman 'must wait until he hears the steps of God sounding through events, then leap up and grasp the hem of his garment'.

The best of our leaders have understood when the time has come to act and have thrown all the resources available to them, including their own time and effort, into the task. Evatt at San Francisco, Spender with ANZUS, Whitlam and the recognition of China, Hawke on APEC and Keating on its leaders' meetings, Evans on chemical weapons, Howard on the Timor intervention, Rudd on the G20.

Secondly, to achieve these ends the policy maker needs to marshal the ideas and energy of the public service and other national assets, including the universities, as Spender did with the Colombo Plan, Gareth did with Cambodia and Howard with the intervention in Solomon Islands.

Third, governments need to set an objective and work consistently to it, speaking with a single, clear voice. Menzies and Hasluck did that brilliantly in sustaining the relationship with Indonesia during Confrontation with Malaysia. Whitlam failed to do it before the Indonesian takeover of East Timor.

These lessons will be useful as we face the changes ahead because each of the three broad themes of Australian foreign policy - the alliance, the region, the rules based order - is changing in ways that will make it more difficult for Australia.

We are dealing with a United States whose administration is pursuing interests and values which in a number of areas differ more clearly from Australia's than we've seen before. And whatever follows the Trump administration, I believe we have seen the high water mark of American efforts to terraform the geopolitical landscape in both their Republican and Democrat manifestations.

We face an Asian region very different from the one with which we sought to engage in the 1980s and 90s. China's rise is central to this. We need to ensure that the region into which China emerges is one in which all voices can be heard. But in Southeast

Asia, in particular, we are seeing more fragile polities than we have been used to for several decades.

And the rules in the rules-based order can no longer be determined by Australia and its allies. The norms for new and emerging issues such as cyber and genetic engineering can only be determined by a wider coalition, including developing states. Australia will have to do a lot more work ourselves in international forums to preserve our interests.

For all these reasons, this will be a world in which we will not be able to rely so much on our traditional partners. Britain, for example, will no longer be an entry point for us to the EU, or whatever remains of it. The United States - in the near future anyway - will not defend the open global trading system we need. We are in danger from deals between China and the United States as well as antagonism between them.

We need to understand China as well as we do the United States, not because we will always agree with it but because we have more chance of shaping its behaviour if we are engaged and knowledgeable than if we are not.

The international system will be more bilateralist in its focus, reflecting the growing problems of existing multilateral institutions.

One of our principal objectives must be to help preserve an international order in which, wherever possible, rules prevail over deals. We should be walking into the middle of the global arena with a large flag inscribed global rules, crying 'Gather here'.

Above all, this will be a world in which diversification, whether of markets or partners, is going to matter more.