

Will the Wedding of Australia and Asia Ever Take Place?

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Where will the borders of the East Asian community end up? Australia is trying to attach itself to this evolving project but in the eyes of its Asian partners, its western inheritance keeps it on the fringes rather than at the core of the project.

Australia's Asian leanings are seen alternatively as the result of a strong economic and strategic dependence on the neighbouring continent, or as the product of the country's adaptation to global changes. Echoing these perceptions, the list of its principal commercial partners is instructive: in a few decades Canberra has moved from one economic horizon to another, from the United Kingdom to the East Asian region dominated by Japan and later by China. In spite of a recurring ambiguity linked to the size and diversity of this area, this region has acquired a certain coherence based on geographic proximity, the density of interactions, common cultural identities and shared institutions,¹ to the point that several Asian community projects have recently emerged. Confronting these ambitious projects, Australia is trying to attach itself to this budding community, but it brings with it certain impedimenta.

Starting with the foundation of the first penal colony in 1788, the assertion of a common destiny with England, based on the Empire and "Britishness," was a central element in the construction of Australian identity. After the creation of the Commonwealth of Australia in 1901,² this identity relied particularly on the policy called White Australia, which up to the 1970s barred non-European – and especially Asian – immigration, and which saw

¹ James Mittelman, "Rethinking the 'New Regionalism' in the Context of Globalization," *Global Governance*, Vol. 2, 1996, pp. 189-214.

² The Commonwealth of Australia has been the official name of Australia since the union of the various colonies in 1901. The head of state is still today the Queen of England, officially represented in Canberra by a governor general.

the country as a negative of Asia, that densely populated continent with a menacing otherness to the empty vastness of this England at the other end of the Earth. So the idea of Australia and its East Asian neighbours sharing any sense of community seemed rather incongruous. But growing awareness of Asia as a land of opportunities, no longer just of menaces, has called into question this traditional mentality.

The area that Australia was seeking to protect itself from is today the area that has the most to offer Australia, which now finds it is in the immediate neighbourhood of the region that is the world's most dynamic and has the strongest economic growth.³ The new centre of the world is just next door. This Asian attractiveness and the appearance of a community of shared interests have developed the Australian sense of belonging, moving it away from a claimed "Britishness" towards a "Pacifinness," and sometimes even an "Asianness." Making use of bilateralism as well as of multilateralism, Australia has assimilated into a regional area centred on the Asia-Pacific (APAC), which brings together East Asia and Oceania.

However, for its Asian neighbours, Australia remains a country on the fringes, at best a bridge between East and West, but sometimes an Extreme West quite far from the region's values. In the Asian perception, Australia is close to what Turkey is in Europe, a community partner but one whose full and complete integration is difficult;⁴ whereas Australia would like to be an Asian United Kingdom, fully integrated but preserving privileged ties with Washington.

But comparing Europe with Asia is difficult here, for the Asian idea of community is much more fragile than its European equivalent.⁵ Peter Katzenstein refers to the "systemic vulnerability" of Asian regionalism, because the particular character of relations – especially of security agreements – imposes important constraints on the region's actors.⁶ It is in this

³ John Howard, "Australia's Links with Asia : Realizing Opportunities in our Region," *The Fifth Asialink Lecture and Asialink Birthday Celebrations*, The Myer Mural Hall, The Myer Store, Melbourne, 12 April 1995, http://www.asialink.unimelb.edu.au/our_work/corporate_and_public/dunlop_medallecture/dunlop_lecture/john_howard_speech (consulted 29 March 2010).

⁴ See for example Adem Somyurek, "Australia, Turkey: Two Odd Men Out," *The Age*, 25 April 2005. <http://www.theage.com.au/news/Opinion/Australia-Turkey-two-odd-men-out/2005/04/24/1114281449021.html> (consulted 25 April 2010).

⁵ David Camroux, "An 'EU style' Asian Community? A few naïve perceptions," *Lecture cosponsored by the Lowy Institute and the University of Sydney*, University of Sydney, 2 December 2009. <http://www.lowyinstitute.org/Publication.asp?pid=1214> (consulted 23 April 2010).

⁶ With regard to Japan he refers to its economic and military dependence on the United States, which it balances

improbable community framework that Canberra's Asian policy is situated. The country constructs its regional affiliation around a future East Asian community and an Asian orientation that is vital for the country. More specifically, for two decades Canberra has enrolled itself, either as an actor or as an observer, in complementary but competing communities. First, an idealized community, Asian and Pacific, extending to include the United States, in order to assimilate at the same time essential commercial partners and the American protector; next, a feared community relying on an Asian identity from which Australia is excluded; and finally, a reasoned community, which assimilates Australia into an East Asian complex in order to build Asia-Pacific regionalism. And this competition is still today a source of uncertainty.

From London towards Beijing: the emergence of an Asia-centred Australia

From the colonial era to the "dominion" era, the antipodean land has constructed its community affiliation in the British mirror, and it first situated itself in an extra-regional community, the Commonwealth. With the "dedominionization" of the 1940s and 1950s, the United Kingdom stepped aside as the major protector, leaving its place to the United States of America, the maritime superpower in the Pacific and the hegemon of the postwar world order. The sense of community re-centred itself around an "Anglosphere" combining American alliance and English origins – sometimes caricatured under the name *Echolon*.⁷ This kind of security community, around "mutual comprehension, transnational values [...] trade flow, [...] trust and collective identity formation"⁸ was brought into play when the government of John Howard⁹ supported American intervention in Iraq in 2003.

But the importance of the oriental element of Asia took hold in Australian foreign policy some decades ago and required setting up a new economic and security community. From the 1960s, British candidature for entry into the EEC heralded the extinction of the privileged relations between London and the Commonwealth. This decision drove Canada to

against Asian regionalism. Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium*, Ithaca, Cornell University Press, 2005, p. 22. See also Deepak Nair, "Regionalism in the Asia Pacific/East Asia: A frustrated Regionalism?," *Contemporary Southeast Asia*, vol. 31(1), 2008, p. 110-142, p. 114-115.

⁷ From the name of the global network of communications interception, called *Echelon*, set up by the United States, the United Kingdom, Canada, Australia and New Zealand starting at the end of the 1940s through the framework of the UK-USA security agreement.

⁸ Emanuel Adler and Michael Barnett (eds.), *Security Communities*, Cambridge, Cambridge University Press, 1998, p. 29.

⁹ Liberal Prime Minister of Australia from 1996 to 2007.

adopt a new economic policy.¹⁰ For the general public in Australia, real awareness of the destined economic community with Asian partners came at the end of the 1980s. The widely publicized Garnaut Report¹¹, ordered by Prime Minister Bob Hawke¹², favoured looking towards Northeast Asia (Japan, South Korea, China) with a focus on the promotion of regional opportunities. The core of this interest rested on the region's economic development, centred around the solidity of Japan's economy, the rapid development of those countries designated as the dragons or tigers of Asia, and later China's economic growth. East Asia, and especially Northeast Asia, penetrated to the heart of the Australian economy.

Although Japan was Australia's leading commercial partner for nearly forty years, China took over this position in 2007, and is now Australia's second-largest export customer and its principal import supplier. Only Japan imports more merchandise from the Commonwealth of Australia (22.8% of the total, against 17.1%), but China is far ahead of the second-largest supplier, the United States (16.9% of the total, against 11.5%). In 2009 China alone accounted for 17% of Australia's external trade in merchandise.¹³ "China is now as critical for Australia's economic security and prosperity as the United States is in terms of Australia's military Security"¹⁴ and East Asia as a whole accounts for nearly 60% of its external trade.

One driving force of this regional integration is the complementarity of Australia's economy with that of other countries in the region. Australia exports its raw materials (coal, iron ore, copper) and agricultural products (mutton, beef), becomes essential to Chinese economic growth, and receives manufactured goods. The country also receives in its

¹⁰ In spite of long and deep relations, Great Britain's entry into the Common Market endangered a significant part of Australia's trade, especially in the agricultural sector. In 1971 Prime Minister William McMahon could declare: "The British move into the Common Market had brought home to Australia that it was now a completely independent country." William McMahon, "From New York to PMC and Treasury," *cablegram 998, 6 November 1971*, NAA, A 1838/2, 727/4/2 pt 19. In the same period, two other decisions made Australia take a different view of the region: on the one hand the English retreat from "East of Suez," announced by English Prime Minister Harold Wilson, which organized the end of the English military presence in Southeast Asia; and on the other hand Richard Nixon's Guam Doctrine of 1969, which called on the allies of the United States to assume primary responsibility for their defense.

¹¹ Ross Garnaut, *Australia and the Northeast Asian Ascendancy (The Garnaut Report)*, Canberra, Commonwealth of Australia, 1989.

¹² Labour Prime Minister from 1983 to 1991.

¹³ 2009 figures from Australia's Department of Foreign Affairs and Trade (DFAT): <http://www.dfat.gov.au/geo/fs/chin.pdf> (consulted 14 April 2010).

¹⁴ Mohan Malik, "Australia and the United States 2004-2005: All the way with the USA?" *Special Assessment Series*, Asia-Pacific Center for Security Studies, Honolulu, February 2005, p. 5.

universities tens of thousands of Asian students, who make it the leading university destination in the area. This proximity and the opportunities afforded by a region with great potential have encouraged the emergence of a new regional identity, and Australia has sought to institutionalize its ties with Asia.

Australia's principal export customers in 2009

Rank	Country	Exports as a percentage of the total
1	Japan	22.86
2	China	17.09
not applicable	ASEAN 10	10.21
3	Korea	8.35
4	India	6.68
5	United States	5.03
6	United Kingdom	4.99
7	New Zealand	3.70
8	Taiwan	3.52
9	Singapore	2.39
10	Thailand	2.15

The idealized community: Australia at the heart of the Pacific

One of the areas of affiliation claimed by Canberra is that of the Pacific basin in the wide sense, which preserves a large chunk of Australia's foreign policy as well as of its mentality: the relation with its "great and powerful friend." The will to preserve this idealized community, relying on "Pacifinness," rests on the American alliance network, the pillars of which are ANZUS and the United States-Japan Treaty of San Francisco (1951). From a strategic point of view, it should be noted that the Association of Southeast Asian Nations (ASEAN) also seeks to preserve the American presence on the other side of the Pacific, in order to serve as a counterweight to the ascending power of China.

This Pacific model has been institutionalized since 1989, around the Asia-Pacific Economic Cooperation (APEC), baptised by Australia and Japan. This organization allowed Australia to appear geographically and politically central, and facilitated two things that Australia wanted: to grant a place for the lesser powers of the Asia-Pacific in matters concerning commercial agreements and strategic organization, and to have a role in

maintaining the interest of the United States in the western region of the Pacific.¹⁵

But two of the pillars of APEC, the American umbrella in the region and the rapid growth of trans-Pacific trade and investment, became weaker in the 1990s. The second pillar, which was already challenged by the East Asian Economic Caucus project¹⁶ on the issue of Japanese capital transfers, has appeared revitalized since the 2000s by the importance of trade within the Asian zone and by Chinese capital. For the last ten years, inter-Asian investments have exceeded their trans-Pacific equivalents. Besides, APEC's regional identity has never appeared coherent, and opening the organization to Latin American countries and to Russia has added to the dilution of the original project. It is rather a point of reference for strategic issues, with the essential actors – China, the United States, and Russia – and it is the framework of the ASEAN Regional Forum (ARF), which, since 1994, is the only multilateral forum on security, albeit very little a forum for shared perceptions.

The feared community: Canberra without Asian projects

"In numerous speeches after he was appointed to the portfolio (Department of Foreign Affairs and Trade), Gareth Evans pushed the idea that Australia should be seen as a country that is part of Asia; that Asia is Australia's future, that Asia is 'where we live'.¹⁷ Beyond "Pacifinness," this Australian "Asianness" should be at the core of the country's development, but it has been strongly questioned, both within the country and by its Asian partners.

With the coming to power of the Liberal-National government of John Howard in 1997, Australian thinking contemplated a more distanced relation with Asia. The principle of a community shared with Asian countries was strongly questioned by events at the end of the 1990s: difficulties in integrating Australia into the process of regionalism in East Asia, the absence of support in the region for Canberra as a candidate for the UN Security Council in 1996, and the violent events in East Timor in 1999, which revealed a hardly glorious aspect of neighbouring Indonesia. Also, the Asian financial crisis of 1997-1998 put an end to the image

¹⁵ Paul Keating, *Engagement: Australia Faces the Asia-Pacific*, Macmillan, Sydney, 2000, p. 77.

¹⁶ A project of the Malaysian Prime Minister from 1983 to 2001, Dr Mahathir, centred on Asia, and closed to Australia, New Zealand and the United States; and an ephemeral rival to APEC.

¹⁷ Richard A. Higgott and Kim Richard Nossal, "Australia and the Search for a Security Community in the 1990s," in Emanuel Adler and Michael Barnett (eds.), *Security Communities*, Cambridge University Press, 1998, p. 273.

of Asia as a centre of untouchable prosperity with unending growth.

At the level of domestic politics, the electoral success of the overtly xenophobic One Nation party of Pauline Hanson at the end of the 1990s reminded the governing class that in one part of the population there was little enthusiasm for an "Asianization" of Australia. Outside of certain ruling elites, the Australian population made no demands at all for integration into a possible Asian community, and preferred Anglo-Saxon ties.

Asian countries themselves often had difficulty perceiving the idea of Australia belonging to a region centred on Asia, and at the head of them was the Malaysia of Doctor Mahathir. "If I look at a map, I believe that it says that Australia is not part of Asia," said Abdullah Ahmad Badawi, the Malaysian Minister for Foreign Affairs. "We are part of Asia, and Australia is down there. Australia is another continent."¹⁸ Up to the financial crisis of 1997-1998, "Asian values" were highlighted by Asian leaders, as rivals to western values of which Australia was an acolyte, and APEC was denounced as a means for the United States and the other non-Asian states in the region to profit from Asian dynamism. In 2002, speaking about John Howard's declarations on the possibility of preemptive strikes in neighbouring countries in the case of an imminent terrorist threat, the Malaysian Minister for Foreign Affairs Syed Hamid Albar declared during a press conference: "if they talk like that, maybe we shall have trouble understanding why they want to be part of the Asian community."¹⁹

In the institutional perspective, the second half of the 1990s was very strongly influenced by the idea of a closed community. In 1995 and again in 2000 Malaysia used the consensus rules inside ASEAN to block discussions of a free trade agreement between ASEAN and Australia. And in 1996 and 1997, two regional organizations emerged, ASEM (Asia-Europe Meeting) and ASEAN + 3 (China, Japan, South Korea) or APT, which had a significant impact on the Asian sense of community as well as on the Australian perception of the East Asian regional area. Indeed, in Canberra's eyes there were really only two essential facts: an Asian caucus was set up through regional or multilateral institutions, and Australia was excluded from it. In spite of reassuring declarations from the Howard government, the

¹⁸ Robert Milliken, "East sees red over Oz map wizardry," *The Independent*, 5 August 1995. <http://www.independent.co.uk/news/world/east-sees-red-over-oz-map-wizardry-1594834.html> (consulted 12 December 2009).

¹⁹ "Howard Outrages South-East Asian Nations," *Beijing Times*, 3 December 2002.

country felt its marginality, excluded from any affiliation to a strong regional group. Since then, the APT has settled in at the centre of the perception of an Asian community, and China, which proclaims its presence in this community, often favours this forum for regional issues and seeks to limit the Asian community to this horizon.

The reasoned community: East Asia as a common basis

The revival of Asian community vocabulary dates from the beginning of the 2000s, when ASEAN, in spite of its weaknesses in the Asian crisis and in the leadership of regionalism, pursued initiatives in two ambitious projects: to make ASEAN a free trade area, but also to make it the core in the construction of an East Asian community,²⁰ with a view to securing the political and economic integration of China. The principle of having the target of setting up a community was developed in the context of reflection on long-term interregional cooperation. The report of October 2001 from the East Asian Vision Group, set up by the APT under the influence of Korean Prime Minister Kim Dae Jung, was called *Towards an East Asian Community*²¹, and it set such a community as a long-term objective.

But it was Prime Minister Junichiro Koizumi, during a tour in Southeast Asia in January 2002, who suggested a project of an East Asian Community to include Australia and New Zealand, and later India, to broaden the East Asian core. This Japanese idea had a double rationale. First as a means of maintaining the place and the interest of Washington in the region, and secondly to preserve in the region a universalist showcase.

Confronted by Beijing and its influence in any ASEAN + 3 process, most Asian partners, including the ASEAN countries, favoured an open and ambitious regionalism, with a view to managing the emergence of the regional hegemon and to favour counterweights. For Australia the project brought together the feared Asian community and its idealistic community, and the integration of India allowed to build a special relationship with an increasingly important economic partner, in addition to its strategic weight.

²⁰ David Camroux, "Asia... whose Asia? A return to the future of a Sino-Indic Asian Community," *The Pacific Review*, Vol. 20 (4), 2007, pp. 551-575, p. 559. See also Takashi Terada, "Constructing an East Asian concept and growing regional identity : from EAEC to ASEAN + 3," *The Pacific Review*, Vol. 16 (2), 2003, p. 251-277.

²¹ East Asia Vision Group, *Towards an East Asian Community, Region of Peace, Prosperity and Progress*, Report 2001, <http://www.mofa.go.jp/region/asia-paci/report2001.pdf> (consulted 27 April 2010). See also Amitav Acharya, "Competing Communities: What the Australian and Japanese Ideas Mean for Asia's Regional Architecture," *PACNET*, 70, Pacific Forum CSIS, 27 October 2009, p. 1. http://www.aseansec.org/pdf/east_asia_vision.pdf (consulted 21 April 2010).

So the East Asian Summit (EAS), first meeting on 14 December 2005, adopted a perspective looking towards the return of ASEAN to the centre of a regional community, the ascent of Chinese power, the arrival of India, and the integration of Australia and New Zealand in the region. This new vision has since become a major part of Australia's regional policy. Finally, the integration of Australia into ASEM, during the Brussels summit in 2010, is held up by the government as exemplary of its good relations with the region²². But the slight impact of this Euro-Asian *rendez-vous* does not make it a shining example of integration. In the end, this ASEAN + 6 must proceed to integrate the United States and Russia and become an ASEAN + 8, and regardless of a certain Australian interest, thereby come to appear as a diluted and not very representative institution.

Model	Geographic Region	Integration of Australia	Regional Institutions
Idealized Community	Pacific Rim	Yes	APEC, ARF (Project: Community of the Asia-Pacific)
Reasoned Community	Asia-Pacific / East Asia	Yes	EAS (Project: East Asian Community)
Feared Community	Asia	No	ASEAN, ASEAN + 3

Australia in incertitude: which community for the future?

In spite of the existence of an institution (PIF, the Pacific Islands Forum) that brings together the Oceanian states, the Australian horizon of regionalism remains above all Asian. In the first place, because the economic dynamism of the region is the reason for Australia's healthy condition. China was the engine of global recovery after the crisis of 2007-2009 and played a major role in the fact that Australia has been one of the rare OECD members only slightly grazed by the economic recession. The country is an essential economic partner, since its raw materials are indispensable to China's double-digit growth. Likewise, the strategic stakes today are essentially regional stakes for Canberra, given both its immediate neighbourhood (Indonesia and Melanesia – the Arc of Instability) and the emergence of China as the regional hegemon. The country is a not negligible strategic partner, both in itself, as indicated by the security agreements signed with Japan and Korea in 2007 and 2009, and by

²² DFAT, "Australia to join the ASEM," *Process Media Release*, 28 May 2009. http://www.foreignminister.gov.au/releases/2009/fa-s090528_asem.html (consulted 24 April 2010).

its alliance with the *status quo* power, the United States. And the difficulty of setting up an East Asian community, and especially of its limits, due to the relations among the principal regional powers, paradoxically works in Canberra's favour. It is mainly the fear of borders that are too limited, favourable to the hegemon, China, that drives its integration, but these evolutions demonstrate that Australia's regional policy depends not on its own decisions but on the rivalries among the great powers of Asia. Canberra must above all learn to find its place in the midst of the desires of the great powers (the United States through a Pacific project, China centred on Asia, and Japan around a broadened East Asia).

In spite of this marginal position, Australia is seeking to go beyond its role as a spectator of the activism of ASEAN and Japan, and to count as a player in the process of regionalism. Australia is one of the countries that support the idea of community in the form of regionalism as ideal for everything that is at stake, and especially for its own economic and strategic security. But the frontiers of this community are always a problem. For several months, Canberra and Tokyo have had two parallel and competing projects, one suggestion coming from Australia's former Prime Minister Kevin Rudd (replaced in 2010 by Julia Gillard) for an Asia Pacific Community (APC), and the other from Japanese Prime Minister Yukio Hatoyama for an East-Asia Community (EAC). These two projects have grown out of a shared assessment of the importance of an ambitious political, economic and strategic regionalism, including Beijing and even looking ahead to a common currency. But the Japanese statements emphasize the fact that the American presence is not automatic and that the relevant area corresponds to that of the EAS, while the Australian suggestion integrates the United States into an area that Canberra idealizes but Beijing conspicuously ignores. After two ambitious decades, Australia has become a spectator of its own regionalism, and it has become apparent that Kevin Rudd's project, not being centred on ASEAN, is quite forsaken in the region.

In a certain way, the otherness of the Asian area still plays a role in three essential parts of Australia's view on a possible community. First there is the primacy given to power relations in dealing with China, and it is from this perspective that the APC project puts the powers of the region in front row seats.²³ Then, there are the fears of constructing an inclusive

²³ Starting with his first speech on the subject, the Australian prime minister mentioned the United States, Japan, China, India and Indonesia "and the other states of the region." KevinRudd, *It's time to build an Asia Pacific*

community, which could weaken Australia's position in international commercial negotiations that are affected by the connection between regionalism and globalization. This is one of the reasons for the multiplication of the bilateral free trade agreements between Canberra and its partners in the last ten years.²⁴ Finally, there is in the Australian population some difficulty in thinking about belonging together with Asia, in spite of bilateral cultural exchanges. Yet such thinking is central in constructing a community.

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Community, Address to the Asia Society, AustralAsia Centre, Sydney, 4 June 2008, <http://www.pm.gov.au/node/5763> (consulted 11 April 2010).

²⁴ Australia New Zealand Closer Economic Agreement (ANZCERTA) 1983, Singapore-Australia Free Trade Agreement (SAFTA) 2003, Australia-Thailande Free Trade Agreement (TAFTA) 2005, Australia-United States Free Trade Agreement (AUSFTA) 2005, Australia Chile Free Trade Agreement (ACI-FTA) 2009, ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) 2010; negotiations in progress with South Korea, China, Japan, Malaysia and GCC (Gulf Cooperation Council: Oman, Bahrain, Kuwait, Qatar, Saudi Arabia, United Arab Emirates).