Events since 1997 have exposed the engagement orthodoxy as wishful thinking. Under its influence, Australian foreign policy came to depict ‘Asia’ as an all-or-nothing project. The Howard government has broken with this orthodoxy to pursue a more pragmatic, realistic and balanced policy toward the diverse states that comprise what Gareth Evans once termed ‘the East Asian hemisphere’. Predictably, this shift has caused dismay and apprehension in some media, academic and official circles.

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Less than a decade ago official governmental, media and academic orthodoxy cast before us the prospect of an economically dynamic East Asian region, stretching seamlessly from Japan in the North through South Korea, Hong Kong, Taiwan and the Chinese special economic zones to the vibrant economies of Southeast Asia. Those who revelled in this non-western model of development claimed that it was vital to Australia’s identity and destiny to enter, or to use the fashionable argot of the time, ‘to enmesh and engage’ with this brave new world. Even the Asian financial crisis of 1997-1998 that revealed most of the region composed not of miracle economies but states in need of one only mildly dented the received orthodoxy.

A succession of blows dealt between 1998-2003 further weakened the enmeshment orthodoxy. In Southeast Asia Suharto’s New Order unravelled to reveal mounting religious and ethnic tension across the Indonesian archipelago. The putative security community, the Association of Southeast Asian Nations (ASEAN) and its regional extension the ASEAN Regional Forum (ARF), looked on impotently as East Timor degenerated into Indonesian military sponsored chaos, whilst al-Qaedas’ regional franchise, Jemaah Islamiyah, recruited jihadists and organised terror training camps and bombings from Manila to Bali with apparent impunity. Meanwhile, in Northeast Asia the seemingly permanent sclerosis of the Japanese economy, combined with mounting anxiety over the nuclear aspirations and mental health of the Pyonyang regime, did little to encourage the view of a politically and economically integrated Asian juggernaut.

How did this orthodoxy establish itself, what remains of it, and to what extent has what Paul Kelly terms John Howard’s ‘path breaking new steps on security, economics and values’ significantly recast Australian foreign relations for the new century?

The birth of an illusion

The Manichean notion of engagement with the region, rather than protection from it, dates from 1972 and the ‘watershed’ in foreign relations associated with the Labor government of Gough Whitlam. It reflected a rationalist attempt both to engineer a self-consciously Australian identity and to renegotiate Australia’s place in the ‘East Asian hemisphere’ and the world. Over the succeeding decades, this project captured the imagination of a media, academic and bureaucratic establishment.

It required, firstly, disparaging the Menzies era ‘torpor’ that had witnessed Australia’s uncritical adherence to its ‘great and powerful friends’ and the Cold War doctrine of containment, which for Australia required a posture of forward defence to prevent the spread of communism, notably in Southeast Asia. Secondly, it sought to define Australia as a mature nation with an identity ideologically tailored to what Whitlam, its chief architect, conceived to be the requirements of an independent, regionally-engaged Australia, where:

We are no longer a cipher or a satellite in world affairs. We are no longer stamped with a taint of racism. We are no longer a colonial power. We are no longer out of step with the world’s progressive, and enlightened movements towards freedom, disarmament and co-operation. We are no longer enthralled to bogeys and obsessions in our relations with China or the great powers.

In the course of the 1980s, this understanding was translated into official policy. As early as 1979, Alan Renouf, Head of the Department of Foreign Affairs, declared that Whitlam had been ‘a good advertisement for Australia’ because he had recognised that ‘Australia should not have sought so diligently to tie herself in political and defence terms, so tightly and so unquestioningly to the United States’. Consequently, the most important aspect of the foreign policy transformation outlined in the Whitlam era was that it justified Australia re-positioning itself for a larger role in the affairs of the East Asian region.

Even the Asian financial crisis of 1997–1998 that revealed most of the region composed not of miracle economies but states in need of one only mildly dented the received orthodoxy.
It was after 1983, however, that the new Labor government led by Bob Hawke explicitly cultivated a distinctive regional and multilateral focus in security and trade policies. Indeed, it was Hawke who initially articulated a doctrine of ‘enmeshment’ in the Asia Pacific. In practical terms this meant support for disarmament proposals such as the South Pacific Nuclear Free Zone and the Asia Pacific Economic Cooperation (APEC) initiative.

Economic imperatives appeared to justify this turn towards ‘Asia’. Australian exports to its ASEAN neighbours grew by 24% between 1977 and 1988, whilst exports to the United Kingdom and Europe were in decline long before the UK entered the European Economic Community (EEC) in 1972. Moreover, Australia’s sluggish growth, coupled with recession in the early 1990s, contrasted unfavourably with the per annum 6-8% GDP growth of some ASEAN and Northeast Asian economies. Such global and regional trends, it seemed, necessitated a reassessment of Australia’s political, cultural, economic and strategic approach to the emerging ‘East Asian hemisphere’.

The engagement orthodoxy came to maintain that it was only in the 1980s that a mature sense of national identity premised upon Australian independence began to inform a sophisticated foreign diplomacy properly attuned to regional affairs. The path mapped out by Whitlam and developed by his successors enabled Australia to attain a post-British identity, which, in the words of former diplomat, Richard Woolcott, ‘accepts more completely its Asia-Pacific destiny’.

Although not everyone in the Labor Party necessarily agreed with this repositioning, the dynamic growth of the East Asian region from the mid-1970s, coupled with the economic weakness of formerly ‘great and powerful friends’, lent plausibility to the thesis, which the Hawke government readily embraced. Summing up the achievements of the new regionalism in the early 1990s, Nancy Viviani could claim that the Hawke government embarked on an explicit strategy to enmesh Australia with Asia across the range of relations. By the end of 1995 the Keating government claimed success on all these fronts. The country had shifted towards Asia despite the backsliders, the cynics, the Europe first lobby and the anti-Asian immigration lobby. The ARF was in place, APEC had achieved agreements on trade and investment liberalisation and a security treaty had been signed with Indonesia. These were very substantial achievements...

In retrospect, the apparent revolution in the conduct of foreign relations announced by Whitlam and realised by Keating lay not in any actual achievement, but in its intimation of a new regional and international identity. Whitlam and his epigoni replaced an earlier conservative emphasis on maintaining a regional balance with the possibility, as yet unrealised, of forging multilateral Asian bonds through the fashionably ‘soft’ power of trade and cultural contacts.

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This agenda achieved its apotheosis during the Prime Ministership of Paul Keating (1991-1996). It possessed, in Keating’s assessment, three key ingredients: first, the uncritical promotion of a zone of Asia-Pacific economic cooperation premised on the non-binding spirit of Asian consensualism manifest in the Bogor Declaration of 1994. Second, it was held that this approach would draw the less savoury regimes of the region into rational discourse through the economic benefits of trade. Third, close ties and an eventual security pact with Suharto’s New Order regime in Indonesia would secure ‘a warm and deep’ relationship with Australia’s ‘nearest, largest neighbour’. This collocation of an ethnically relativist attachment to Asian values, political cynicism and rapid regionalism earned Keating Whitlam’s approval as ‘the only Prime Minister other than I to have shown a consistent and constructive attitude’ to Asia in general and Indonesia in particular.

With hindsight, we can now see that anxiety about a dependent identity, combined with a desire to engage with an apparently economically vital and culturally fashionable non-western region, emerged in the contingent circumstances between 1972-1997. By the early 1990s, it was superficially plausible to claim that, despite winning the Cold War, the West appeared economically and politically exhausted. From this debatable hypothesis the engagement orthodoxy contended that a declining US would become progressively irrelevant to and disengaged from Asia. Meanwhile, the dynamic tiger economies of the boom decade of 1985-1995 would reshape the world economy, especially as the Chinese dragon showed signs of stirring. It was this supposedly integrated economic and largely illiberal political phenomenon extending from Japan to Southeast Asia that seemed fated to shape the new century.

**The revelation of regional illusion**

Events between 1997-2001 rendered the thinking that underpinned the engagement doctrine unsustainable. Asian economies collapsed like dominoes in 1997, and then failed, at least in Southeast Asia, to recover. The emergence of China as a regional competitor for foreign direct investment, particularly with Southeast Asia, and the continuing fiscal malaise that was Japan conspired to undermine a central tenet of engagement thinking—that of an economically integrated East Asian region. The unresolved legacy of the Cold War in Northeast Asia and mounting political instability in Southeast Asia, together with the latter’s propensity to constitute a second front in the post-2001 war on terrorism, revealed the weakness of the Asian model of the developmental state and demonstrated that multilateral institutions like ASEAN, ARF and APEC designed to manage regional economic and political problems proved largely incapable of even addressing them.

Australia escaped the worst effects of the Asian financial crisis because it managed to avoid the corruption, cronyism and nepotism that characterised the Asian developmental model admired by Keating and his academic and media acolytes.

The fallout from the Asian financial crisis exposed the illusory thinking that informed Australian foreign policy between 1972 and 1996. In seeking to construct a new sense of national identity suitable for regional engagement, its architects wilfully misrepresented recent Australian political history and placed uncritical faith in an inexorable regional destiny that was left disturbingly vague. In their eagerness to transcend an apparently irrelevant Anglo-centric identity,
the leading exponents of ‘new regionalism’ contrived an incoherent ideology appropriate for what they assumed would be the new multilateral international system of the ‘Pacific Century’.

The collapse of the Suharto regime in Indonesia and the Balkanisation of the archipelago after 1998, culminating in Australia leading a United Nations peacekeeping mission to the former Indonesian colony of East Timor in September 1999, exposed the folly of ‘seeking defence in and with’ a supposedly harmonious and integrated ‘Asia’. This was reinforced by Australia's experience of the Southeast Asian theatre of the war on terrorism. ASEAN’s commitment to its doctrine of non-interference in the internal affairs of member states has rendered it incapable of recognising, let alone addressing, the phenomenon of a regional terror network that ignores state boundaries in its fervour to establish a pan-Islamic realm. It also exposed the incoherence of multilateralism. For a central feature of post-World War II Labor thinking from Evatt through Whitlam to Evans and Keating was an inability to discern Australia’s role in a complex and evolving balance of power that, after 1975, began to manifest itself in quite different forms in Southeast as opposed to Northeast Asia.

The return of the repressed

Partly as a result of the changed regional environment and in part due to the instinctive conservatism of John Howard’s tenure as Prime Minister, the conduct of Australia’s external relations has altered markedly. For the first time in almost three decades, a politically correct orthodoxy on multiculturalism at home and its conjoin twin, multilateralism abroad, no longer dominate the political landscape. What has replaced it and what does it entail in terms of Australia’s regional strategy?

Howard has both reinvented and adapted a realist posture which stresses the national interest and the state as the key actor in international society. This marks a distinct break with the elite-driven ideology of Asian engagement that inscribed itself in the conduct of Australian foreign policy over a quarter of a century and reached its apogee during the longue durée of the Hawke/Keating/Evans era. For Paul Kelly, it is not just a schism ‘between the competing visions of Paul Keating and Howard. It is a rift between the Howard government and the nation's foreign policy establishment.’

This rift partly reflects a return to the more studied and sceptical approach to foreign relations of the Menzies era that so disappointed the progenitors of engagement and appals those who still cling to it. Although caricatured as servile dependency by the establishment orthodoxy, the policies pursued by Menzies, Casey and Holt were pragmatically adjusted to both the times and to regional reality.

Misreading the Menzies era

Throughout the 1960s, Opposition spokesmen attacked Menzies’ foreign policy for its dependency on ‘great and powerful friends’ and alleged insensitivity to Asian nations. For his left-leaning critics, suspicion and condescension had fuelled Menzies attitude towards Asia. This negated the national interest because it stopped ‘Australia shrugging off “its old attitudes of dependence” and finding ‘a unique place for itself in a region which it had always before considered alien and even hostile.’

The concept of forward defence was regarded as especially pernicious. Forward defence had led not only to the Vietnam imbroglio, it had also put Australia on the wrong side of history and incurred the animosity of Asian peoples. Rejection of forward defence appeared early in Whitlam’s tenure of office. ‘Australia has been served increasingly poorly in recent years by adherence to Cold War postures’, explained one defence analyst.

The assumptions that informed this critique of a realist foreign policy legacy, and which subsequently became engagement orthodoxy,
do not stand up to scrutiny. It is egregious to maintain, as the orthodoxy consistently does, that Australian foreign policy in the 1950s and 1960s aimed to distance Australia from Asia. The Menzies government sought to build an explicit policy of good neighbourly relations with Southeast Asian states.\textsuperscript{18} External Affairs Minister R.G. Casey stated in 1956: ‘We are striving to develop the strength of the area to which we belong.’\textsuperscript{19} By 1967, T.B. Millar could claim that, ‘where Australians are concerned, internationally, they are concerned about Asia.’\textsuperscript{20} This concern expressed itself in both policy and practice. In 1965 Australian Defence Minister Shane Paltridge recognised that ‘by virtue [of Australia’s] location on the periphery of Asia, [it] can make a unique contribution to the policies aimed at the security and stability of South-East Asia.’\textsuperscript{21}

In other words, the Cold War imperative of balance and containment underpinned Australian foreign policy in the period 1945-1972. Policymakers saw the spread of communism as a threat with a markedly Asian orientation. This dictated a distinct set of priorities from which foreign policy rationally flowed.

In this context (not entirely dissimilar to the one posed by the contemporary war on terrorism in Southeast Asia) Australia could do little by itself to police its troubled neighbourhood. Defence planning and alliance politics sought to engage and support stronger states—Britain and the US—to stabilise Southeast Asia in particular. The ANZUS alliance (1951) therefore represented the attainment of a major objective of Australian foreign policy.\textsuperscript{23} Australian governments sought ‘the support of at least the United States for promoting co-operative arrangements with South-East Asian countries for collective security purposes in this area and for the defence and security of Australia’.\textsuperscript{24}

This required forward defence in the Pacific Asian theatre of the Cold War. The commitment of Australian forces to the defence of South Korea during the Malayan Emergency and the period of Indonesian ‘Confrontation’ established the doctrine’s credentials between 1950-1966. It also contributed substantially to the stabilisation of the East Asian region as a whole.

A rejection of forward defence before 1972 required opposing aggression in general and communist infiltration in particular as wrong in principle. The related understanding that Australian foreign policy alienated Asians required treating Asia as an all-or-nothing option, and assuming the provocation of one Asian state as an indication of policy failure.

This was to opt for non-alignment. But neutralism, masquerading as internationalism in regional affairs—the precursor to the multilateralism of the engagement era—was untenable because it was divorced from Australia’s historical, cultural and democratic identity.

Equally inaccurate is the contention that Australian attitudes and policies alienated its Asian neighbours. Such a view ignores the fact that the non-communist states in Southeast Asia welcomed Australia’s forward defence posture. These new states, born without the means of defending themselves, were profoundly insecure. The threat of internal communist insurrection meant that the concept of forward defence served the needs of Australia’s weak neighbours. As T.B. Millar again observed, ‘however academic and unreal the “domino theory” may appear to some Australians, or however exaggerated the fears of Chinese expansion, people living in South-east Asia have very unacademic apprehensions of what would happen if the Western forces were to pull-out’.\textsuperscript{22} Indeed, it was ‘strong requests’ from Tengku Abdul Rahman and Lee Kuan Yew, the Prime Ministers of Malaysia and Singapore respectively in the late 1960s, that secured Australian forces in the region.
and take action to support allies. This was Cold War reality. States were compelled to take sides.

Realism reinvented
Returning to Menzies era pragmatism rather than embracing the enmeshment orthodoxy, the Howard government has questioned whether ‘Asia’ is a coherent entity that must be uniformly engaged. This has only served to reinforce the assumptions of those most attached to it. Defending the received orthodoxy, Richard Woolcott finds it ‘painful to encounter the extent to which Mr. Howard is widely seen in our region as a narrowly focused domestic politician, uninterested in and uncomfortable with Australia’s Asian and Pacific neighbours’.25

Yet Howard has demonstrated a growing interest in foreign affairs in general and East Asia in particular, unencumbered by pan-Asian enthusiasms. Thus, he has shown little interest in the colloquies of ASEAN, its putative extension to embrace China, South Korea and Japan in its potential ASEAN + 3 manifestation, and has wisely ignored the fulminations of the region’s senior gerontocrat, Mahathir Mohamad. Instead, Howard has concentrated on the pragmatic pursuit of regional security and economic growth. In the interconnected world of the 21st century with its attendant polymorphous threats, this may not require ASEAN, which increasingly resembles other failed postcolonial Cold War organisations like the Non Aligned Movement, the Organisation of African Unity and the Arab League.

To downplay ASEAN by no means entails ignoring Southeast Asia, whose political integrity, as it did in the 1960s, remains crucial. In this context Australia has been a major contributor to its fiscal stability, giving generously to the IMF bailout that financially salvaged the region in 1997. With UN approval, Australia played a central role in stabilising East Timor at a time when ASEAN looked on impotently. More recently, in the war against terrorism, effective low-key cooperation between the Australian Federal and Indonesian police forces has disrupted, though not destroyed, Jemaah Islamiyah’s terrorist group. ASEAN has merely demonstrated its increasing irrelevance to the threat that networked, transnational terrorism poses.

Beyond Southeast Asia, Australian pragmatism plays well in South Korea and Japan. Howard’s visit in July 2002 to Seoul and Tokyo reinforced strong bilateral ties, a shared vision of the region’s security dilemmas and extended an already well-established and mutually beneficial trading relationship. A similarly pragmatic approach to Beijing helped secure a $25 billion LNG contract last year in the face of strong regional and international competition. Howard’s careful cultivation of ties with the current generation of leaders, culminating in his August visit to Beijing, has reinforced relations with a regime that has rapidly developed since 1997 into Australia’s third largest trading partner and whose constructive engagement is central to the security of Northeast Asia.

In other words, rather than conducting foreign policy according to the tenets of a fashionable pan-Asian orthodoxy, Howard has applied a sceptical and measured realism in keeping with Australia’s economic and political interests. Against the abstract planners of the ideology of Asian engagement, Howard prefers to revert to a traditional Australian foreign policy stance. Rather than fantasising about Australia’s role as a middle power shaping a new Pacific Century, Howard has reverted to the realistic pursuit of bilateral ties. Instead of pursuing the chimerical vision of an integrated Asian economic community, Howard would rather balance the various developed, developing, unstable, weak and not-so-weak states that comprise the East Asian region with the need to maintain close ties with traditional ‘great and powerful friends’. Against the regional propensity to manage rather than solve flashpoints, Howard has
reinvigorated Menzies era forward defence for the globalised, transnational politics of the new century.

Such a posture is not without difficulty given the current uncertain geopolitical environment and the relative size of Australia’s armed forces. Now that Southeast Asia and the Pacific increasingly resemble an arc of uncertainty, the defence of Australia faces the possibility of both geographical and financial overstretch. To avoid this requires the strategic calculation of what Australian security needs to cope with the fallout from the slow motion disintegration of ASEAN and the failing states of the Pacific Islands Forum. This entails acknowledging that we are not dealing with a dynamic Southeast Asia (if we ever were), but a collection of weak states, of which the weakest and most fissiparous is Indonesia.

Forward defence now, as opposed to the Cold War version, might require the deployment of Australian forces without significant support from larger allies. Moreover, the threats themselves, particularly those emanating from failing postcolonial states previously held together largely by the superglue of Cold War balance, are more diffuse. They range from the conventional need to secure balance between states in the wider Asia Pacific to the asymmetric tactics preferred by transnational terror and crime groups that have proliferated rapidly.

What we know of these latter phenomena is: that they emanate from weak states like Indonesia, the Philippines, Myanmar and Cambodia; they are not necessarily rationally deterrollable; and they are adept at using the openness and speed of the global economy for the purposes of finance, drug, arms and people smuggling and coordinating attacks on population centres and critical infrastructure. One suspects that combating groups like al-Qaeda and its affiliates prepared to countenance mass casualty attacks requires sophisticated intelligence, cooperation with parallel state elites in Southeast Asia and a flexible and highly trained army with a rapid reaction capability.

This volatile environment notwithstanding, Howard’s revision of foreign policy at least means that we can now recognise that we have a burgeoning security dilemma rather than a multicultural guilt complex. Ultimately, identifying how low-intensity conflicts and the new identity-based wars in post Cold War weak states impinge upon us represents the necessary first step to addressing them realistically.

Endnotes
1 P. Kelly, ‘All the World’s a Stage’, Inquirer section, Weekend Australian (5-6 July 2003).
3 Gough Whitlam’s speech to the House of Representatives (13 December 1973).
6 Miller, The EEC and Australia, p.335.
14 P. Kelly, ‘All the World’s a Stage’, (see n.1).
19 Quoted in A. Watt, The Evolution of Australian Foreign Policy, p. 168.
20 T.B. Millar, Australia’s Foreign Policy (Sydney: Angus & Robertson, 1968), p.243, emphasis added.
22 See T.B. Millar, Australia’s Foreign Policy, pp.99-100.
25 The Age (5 November 2001).