

AUSTRALIAN VOTERS' GUIDE TO INTERNATIONAL POLICY

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The 2007 election in Australia will be about a great deal more than the international policy issues that we deal with at the Lowy Institute.¹ Issues of much more immediate concern to voters, like the economy, health, education and industrial relations, are likely to dominate. Perhaps only climate change and nuclear power and Australia's continuing military involvement in Iraq and Afghanistan (with the associated questions about our relationship with the United States) will have much of a profile in the campaign. And in the case of the first two, the debate is as likely to be about their domestic as their international aspects. Other matters will come up in speeches and debates (the way we deal with terrorism, foreign aid, the structure of the defence force, arms control and disarmament). More will be ticked off, to little general attention, in the lengthy policy platforms of the major parties. But short of another unexpected global crisis — another 9/11 or natural disaster like the Indian Ocean tsunami — it seems safe to assume that international issues won't be centre stage for the Australian electorate in 2007.

But even if they do not feature prominently in the campaign, the international policy choices the next Australian government makes will still help shape the prosperity and security of the country. In a globalised world, almost everything governments do has an international dimension. Take something as traditionally personal and local in focus as health care. That now involves decisions about recruiting medical staff from overseas, recognising overseas qualifications, and, as we saw in the debate about pharmaceutical benefits under the Australia-United States Free Trade Agreement, it engages questions of international trade policy. And (as we have been reminded by the outbreak of equine influenza) pandemic diseases, which have no regard for international boundaries and can only be addressed effectively through international cooperation, are among the most troubling potential shocks to the domestic health system.

At an even deeper level, the capacity of the Australian economy to deliver the services that the Australian people want will depend heavily on the continuing growth of the global economy, including the openness of the world trading system which drives the demand for Australian resource and services exports. In this area, too,

the international policy choices of the Australian government will be significant.

So developments in the outside world, and the Australian government's policy responses to them, have an impact that goes well beyond the rarefied world of international diplomacy. It is worth understanding, testing and judging the ideas our political leaders have for dealing with them.

Australia's geographical position, adjacent to both the economic powerhouses of Asia and the fragile states of the South Pacific, its strong alliance with the United States, the structure of its economy, its history, culture and the attitudes of the Australian public all combine to set the parameters within which Australian international policy generally operates.

As a result of three years of Lowy Institute polling, we have a pretty good idea of what Australians think about their international environment and how their thoughts are changing. The Lowy poll for 2007 was released in August 2007 and is available on our website www.lowyinstitute.org.

It's basically a good story. Australians feel optimistic and secure. They are confident they can compete internationally. The polling reveals general public support for the broad national consensus which has shaped Australian foreign policy over half a century. This might be defined as a healthy alliance relationship, close relations with our Asian neighbours, support for an open international trading system, a defence force which can operate in our own neighbourhood and, where necessary, work with allies further afield, and a generally activist approach to diplomacy.

Australia's power to shape world politics is limited. As the world's 14th biggest economy, but with just its 49th largest population, Australia has sufficient global weight to influence outcomes, especially when they affect us directly, but not to determine them. (As we have seen in Iraq, not even the United States, still the only nation in the world which can deploy effective political, military and cultural power across the globe, can do that).

But setting out the limits to what an Australia government can do — or in most conceivable circumstances would want to do — internationally is not in any way to argue that it has no choices or that these choices are not important. The history of

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Australian foreign policy shows plenty of examples of Australian government decisions which have altered our national trajectory and/or influenced the broader global environment. In recent decades the negotiation of the Chemical Weapons Convention, the formation of APEC, the interventions in East Timor and Solomon Islands and the negotiation of the Australia-United States Free Trade Agreement are all examples.

Neither is it to say that both political parties will act in the same way. The traditions of the Coalition and the Labor Party are different. The Coalition emphasises (for the most part) bilateral relationships, strong defences, alliance solidarity, old friendships, cultural affinities. Labor (for the most part) places more weight on multilateral diplomacy, international cooperation as a means of achieving security, relations with Asian neighbours.

Except at the most breathless levels of political polemic, however, Australian foreign and security policy is not binary. For example, I have never met anyone who thinks the Australian defence force should be structured solely around the defence of the Australian continent; equally, no Australian I know thinks that our alliance with the United States requires total subservience to the policy positions of any given US administration. In real life, the most important questions for Australian governments are essentially about balance and weight.

Most government decisions (and some of the most significant they can make) are not about high-flown declaratory principles at all but about the allocation of resources: where the money goes and who gets to administer it. With the resources we have available to us, what are the choices we should make to preserve our security and expand our prosperity? Where is the money best directed? How much should go towards making us stronger domestically and how much towards making us stronger internationally? And what gives us strength internationally? Our defence force? Our diplomatic service? Other attributes of our 'soft power' like cultural influence? Presumably most people would agree that a balance between them is needed, but where should the balance lie?

Sometimes, governments set out deliberately to shape policy outcomes. The Keating Government's 1995 decision to convene the Canberra Commission on the Elimination of Nuclear Weapons, or the

Howard Government's pursuit of the Australia-United States Free Trade Agreement are examples. Sometimes, as with terrorism after September 2001, events impose themselves on the international agenda almost without warning. And sometimes policy is shaped from outside government and the foreign policy élite by the emergence of issues in the public mind to which politicians are forced to respond. Climate change seems to be one of those.

This report outlines the global issues we at the Lowy Institute think the next Australian government is going to have to deal with. Our objective is to help Australian voters formulate the questions that need to be asked of our leaders as they seek our support to govern. We have tried to look beyond the headlines to the deeper issues that require attention and the real-world decisions that the next government will have to take. The focus is on the short term — the next five years — rather than the next half century.

The contributors are all from the Lowy Institute, but as you will see there is no single Lowy Institute view of the world. Our research staff speak in their own voices and hold different positions on some of the key issues of our time. All we attest to is that the work we publish is relevant to the issues with which the world is grappling, well researched and well tested, not least as a result of the robust debate that goes on within the Institute itself. So this report is not a policy prescription for an incoming Australian government to follow but a guide for voters who, like us, believe that Australia needs to be as conscious of, and responsive to, the large external events that shape our world as to the domestic issues which usually preoccupy us, and that it is worth trying hard to get them right.

The first chapter is by Owen Harries, a Visiting Fellow at the Institute, and one of Australia's most distinguished international commentators. He looks at just what sort of world he thinks the next Australian government will be dealing with.

¹ By international policy we mean all those areas of government activity — traditional foreign policy, international security, defence policy, international economic policy and so on — that encompass the Australian government's interaction with other parts of the international system.