
UNIT 11 PACIFIC ISLAND'S FORUM AND ASEAN

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11.1 INTRODUCTION

This Unit is to examine Australia's relations with the regional groupings, especially with Pacific Island's Forum (PIF) and Association of Southeast Asian Nations (ASEAN). These two crucially important regional groupings are of primary interests to Australia for closer engagement with Asia. PIF includes the membership of South Pacific countries where Australia is geographically located, and ASEAN comprises the membership of the northern neighbours of Australia, known as Southeast Asia.

11.2 OBJECTIVES

After reading the unit, you should be able to understand:

- the diversities, disparities and complementarities between Australia and its neighbours in the South Pacific;
- Australia's trade and economic relations with PIF, its role in the PIF's activities as a major contributor towards its expenditure;
- Australia's relations with ASEAN, its second largest market and its dialogue partner;
- Australia's policy, strategy and efforts to consolidate its regional position in Asia Pacific; and
- Australia's peacekeeping role in ASEAN, particularly during Cambodian Crisis.

11.3 DIVERSITY AND DISPARITY

There are some inherent problems that come in the way of regional integration. Australians are culturally and ethnically more superior to the people in the region and have little in common with indigenous people in the neighbourhood. The literacy rates, life style, perspective and mindset of the Australians are much ahead and the surrounding countries are of Asian origin with Melanesian, Polynesian and Micronesian descent. The neighbouring countries find Australia so dominating in size and modernity that they remain apprehensive of the latter's intentions. Australia is demographically a white dominated society and naturally they attach importance to western values. Their position in the region has been explained by Gary Dean (2000) in the following words, "As a transplanted, predominantly European society situated within Asia, far from the homelands-of- the-heart in Europe, Australians have always felt an acute sense of threat from the north. In nearly every respect, Australia has profound differences with the nations of Asia; race, history, culture, social structure, population size and density..." He further stated that Australia is truly an oddity within the region, where it does not really fit, and they feel an acute sense of isolation in the region, like a 'Continent adrift'. However they have to coexist with Asians and there are some common issues for co-operation.

11.4 COMPLEMENTARITIES

It is logical to think that as South Pacific has island nations surrounded by sea, they are the victims of similar geographical, ecological and environment problems. The natural disasters or seaborne calamity can afflict any nation and to cope with, they have to act together. Neither Australia nor any other country in the region can survive without the support of one another. The geopolitical compulsions bring all the nations of South Pacific to a collective forum to evolve a regional response to their unique problems. Neither South Pacific nor Australia can ignore one another, because geography compels them to cooperate and coexist. Moreover various findings and government Reports in Australia argues for closer engagement with Asia and the countries in Asia are willing to reciprocate and respond positively.

11.5 ASIAN POLICY

The contemporary history of Australia says that it was aligned with the west for centuries and its Asian policies were shaped in conjunction with the western world. Hedley Bull had once commented "Australia's foreign policy has always been determined by her relations with great powers than by her relations with the middle or small states in her neighbourhood." This was natural because they thought in terms of Europeans and not Asians.

However, the situation started changing after the American withdrawal from Vietnam in 1975. Despite every odd, Vietnam faced American army for decades and ultimately forced the latter to withdraw militarily not only from Vietnam, but also from Laos and Cambodia. The American reverses in Vietnam War had wide-ranging repercussions on the global level and this event forced introspection and review of foreign policies of many countries in the region. There were increasing debates and dialogues in Australia as well. They began to think about Asia seriously, which they had ignored in the past and treated as an area of peripheral importance.

Australia's Asia policy got serious attention when Bob Hawke became the Prime Minister in 1982. Australia established a high-powered committee under Paul Dibb to suggest recommendations for greater engagement with Asia. Dibb Report for the first time attached due importance to Asia and emphasized that Southeast Asia and South Pacific were "an area of primary strategic interests" to Australia. After the recommendations of Dibb Report, the White Paper on Defence (1987), although differed on certain observations of Dibb Report, also emphasized the primacy of South Pacific and Southeast Asian region and said that commitment to South Pacific is to be given equal priority with its commitment to Southeast Asia. Dibb Report and White Paper on Defence created the foundation for closer engagement with Asia.

The changes in Australian perspective were evolved due to several national and international developments. The Shanghai communiqué (1972) the diplomatic recognition to People's Republic of China, the dismantling of SEATO, the futility of containment drive and the booming of the ASEAN economy and above all the nuclear threats in the neighbourhood demanded that Australia should review its policy of over reliance on the United States.

11.6 UNDERLINING REGIONALISM

The Australian policy to seek closer cooperation with Asia was widely appreciated and the regional groupings looked for greater Australian commitments. Australia felt that it was not pragmatic to ignore the geopolitical reality that although it was geographically situated in Asia, it was acting for western interests. It was felt that closer engagement with Asians was required for a new identity, which could help Australia to act in conjunction with regional interests.

Besides Australian desires, there are other important factors to facilitate regionalism. Firstly the security of the countries in the region is interlinked. The Japanese aggression during the Second World War proved that outside powers were unable to provide security to the region. The resistance against the invaders was possible only with the support of the countries in the region. Another aspect of the linkages can be understood by citing the example of Vanuatu. When that small country signed a fishing agreement with erstwhile Soviet Union in 1986, majority of the South Pacific nations along with the Western world raised hue and cry on grounds of security. Again the contemporary threat of Islamic terror is a matter of global concern. The events of 9/11 or 7/7 are inhuman and barbaric. The countries at the regional level have to look for containment and solutions to solve the menace of terrorism.

Secondly, the economic system in the region is also interlinked. The economic crisis in one country can have devastating impact on another as the experiences of Asian financial crisis (1997-98) have demonstrated. The currency crisis in Thailand had repercussions in Korea and the crisis in East Asia had engulfed Indonesia and other countries in the region. The regional development cannot be assured in isolation but they have to support one another for collective prosperity.

Thirdly, South Pacific has been an area where the western powers have experimented their nuclear arsenals. It has been the place for nuclear dumping, storage and testing ever since the end of the Second World War. The nuclear activities of great powers have long-term impact on regional environment. No nation in the neighbourhood, however big or small, can act against regional interests. Now an effort will be made to analyze Australia's interaction and role in Pacific Island's Forum.

11.6.1 Pacific Island's Forum (PIF)

Pacific Island's Forum, known as South Pacific Forum before 2000, was established on 5 August 1971 and its first meeting had taken place in Wellington, New Zealand. The Forum has no written constitution, nor any formal rules relating to its purpose, membership or conduct of meeting. Decisions are always reached by consensus and so far they have not found it necessary or desirable to vote formally on issues.

PIF has presently 16 members, namely Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Besides members from the region, the Forum has 12 dialogue partners, namely; Canada, China, France, India, Indonesia, Japan, Korea, Malaysia, the Philippines, the United Kingdom, the USA, and the European Union.

PIF organizes meetings of head of states annually and has assumed a wide range of activities to promote regional cooperation. Fijian Prime Minister, Ratu Sir Kamisese Mara had given the concept and worked to gather support for establishing this forum, but Australia had given important diplomatic inputs to make this organization as successful and vibrant as possible.

11.6.2 Organisation and Objective

PIF was initially founded as a forum for the gathering of Heads of Government of independent or self-governing states in South Pacific. It provided an opportunity for informal discussions to be held on a wide range of common issues and problems. The forum meets annually or whenever issues require urgent attention.

PIF Secretariat is located at Suva, Fiji. The Secretariat is to facilitate, develop and maintain cooperation and consultation between the member governments on economic development, trade, transport, tourism, energy, telecommunications and also in legal, political, security and such other matters as the forum may direct. The ultimate aim of PIF is to nurture "Pacific Way of Life" and community feeling in the region.

The Secretariat undertakes the day-today activities of the forum. It is headed by a Secretary General, with a staff of 70 people drawn from the member countries. The Secretariat comprises four Divisions, namely; Corporate Services, Development and Economic Policy, Trade and Investment, and Political, International and Legal Affairs.

11.6.3 Banning Driftnets

South Pacific region had been the favourite ground for driftnet fishing for decades, which had disturbed the marine environment. Again the driftnet catch was not only confined to fish but many other marine species, which was much more than the agreed maximum sustainable level. The fish is the staple diet of many of the islanders in the region and it is found in abundance. But the destruction of other marine species in the name of catching fish through driftnets especially slender tuna, albacore, skipjack, southern blue fin, striped marlin, sword fish, marine mammals, tortoise and sea birds, etc. caused the depletion of albacore stock. Moreover, none of the countries in the region had driftnets. Most of the countries, which indulged in driftnet fishing, were outside powers including Japan and Taiwan and they were selling the catch in the international market. The PIF took strong note of the grim situation and took up the matter in its meeting at Tarawa in 1989. They decided to ban the practice of driftnet fishing immediately. Tarawa declaration stated that for the sake of this and succeeding generations of Pacific peoples "to seek the establishment of a regime for the management of albacore tuna in the South Pacific that would ban driftnet fishing from the region."

Accordingly, New Zealand was given the responsibility of hosting a meeting of regional diplomatic, legal and fisheries experts to develop a convention to give effect to the South Pacific resolve to create a zone, free of driftnet fishing. Australia supported the declaration and the convention proposals were accepted by consensus.

11.6.4 Nuclear Issues

PIF signed South Pacific Nuclear-Weapon-Free-Zone-Treaty (SPNWFZ) at Rarotonga in 1985, which prohibits the acquisition, stationing or testing of nuclear weapons in the region. The treaty also opposed the dumping of radioactive wastes in the region and called for the global ban on the development, stockpiling and use of

chemical weapons. The signatories of Rarotonga Treaty tried to reduce the danger posed by nuclear weapons, the risk of nuclear escalation and inherent tension. By pleading themselves to prohibition on possession of nuclear devices, their testing and their stationing within national territory in the region, the parties to the treaty sought to minimize the possibility of nuclear confrontation.

The countries in the South Pacific displayed their anti-nuclear sentiments and New Zealand played a leading role by banning the movement of nuclear warships and abstained from joint military exercises with nuclear powers. They also closed the U.S. Air Force base at Christchurch and refused to allow the visit of US destroyer, Buchanan, into New Zealand waters, on the ground that they may be carrying nuclear weapons. They strongly objected to the French nuclear testing activities at Mururoa Atoll and called for closing the underground testing.

The signing of the treaty for nuclear free zone was a bold step towards creation of a separate identity of South Pacific nations. This was a period when Cold War for disputes had climaxed and anything against the US consent was projected pro for the Soviets. It was for this reason that the US, France and Britain had objected to the proposal and abstained from signing the protocol, a necessary condition to implement it.

The Soviet Union signed the protocols to the treaty in December 1987. It is through signing the protocols that states possessing nuclear weapons agree not to use or threaten to use nuclear explosive devices against any non-nuclear party to the treaty and China signed the protocol also in December 1987. France, Britain and the US did not sign the protocol till the dissolution of the Soviet Union. PIF reminded and requested them to reconsider their opinion in July 1993 in view of the end of the Cold War. This did not get an immediate response but when the French government decided to resume testing of nuclear weapons at Mururoa Atoll in July 1995, the scenario changed. The diplomatic pressure grew against the nuclear powers, and hence the US, Britain and France also reconsidered their earlier stand and signed the protocol in 1996. Hence South Pacific NWFZ proposal was accepted and implemented.

11.6.5 New Caledonia

New Caledonia was a colony of France, where the disputes between the indigenous ethnic Kanaks and Caldoches (of European Origin) have been quite intense. Kanaks have fought for independence and their grievances have not been properly accommodated in the system. Their problems have been articulated by PIF in its various meetings and also at the United Nations. The ethnic Melanesians have established a "Melanesian Spearhead Group" to support Kanaks and they had referred New Caledonian question at the United Nations. Papua New Guinea, Fiji, Solomon Islands, and Vanuatu, the core group of Melanesian spearhead grouping, find ethnic and racial connections with the Kanaks, and they are very sensitive about the future of the Kanaks. France has apparently transferred sovereignty to New Caledonia and elections have been held to choose the representative governments, but that has not changed the situation for the Kanaks. The main issue in peace making process is that there has been demographic transformation in that country in the recent past. The indigenous Kanaks are in minority compared to Caldoches, the migrant population. The political power is exercised by the Caldoches, who have assumed the majority status. This issue has become sensitive to be raised in the forum, because there are other nations in the region too, who have the majority of migrant population. The resolution to support the Kanaks against Caldoches may create rifts in the grouping and therefore it is left to the Melanesian Spearhead Group to monitor the situation and suggest recommendations.

11.6.6 SPARTECA

The PIF signed South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) in 1981. Accordingly Australia and New Zealand have allowed for duty free and unrestricted access to countries in the region in Australian and New Zealand markets. This has been done on non-reciprocal basis to assist other island nations. SPARTECA is also to facilitate investment planning and Australia has agreed to provide economic assistance for trade promotion.

SPARTECA also aimed at redressing the trade deficit of South Pacific countries with Australia and New Zealand. In 1985 Australia agreed to liberalize trade by abolishing duties and quotas on all Pacific products except steel, cars, sugar, footwear and garments. In response to requests from Fiji, Australia agreed to widen

its interpretation of the agreement by accepting as being of local content manufactured products that consist of goods and components of 50 per cent Australian content. A new Fiji-Australia trade and economic relations agreement was signed in March 1999 to complement SPARTECA and compensate for certain trade deficits that were in the process of being withdrawn.

11.6.7 Political, Legal and International Affairs

The Political, Legal and International Affairs Division of the Forum organizes the meetings of the forum, disseminates its views, administers the Forum's observers office at the UN, and aims to strengthen relations with other regional and international organizations, especially APEC and ASEAN. The Division's other main concern is to promote regional cooperation in law enforcement and legal affairs, and it provides enforcement capacity building.

11.6.8 Australian Role

Australia has a pivotal role in the success of the Forum activities. It has assumed special responsibility to provide economic assistance, expertise and diplomatic inputs to PIF. It is contributing one third of the annual budget expenditure. Besides it is the largest donor of extra-budgetary expenditure of the forum along with New Zealand, Japan, the US and the European Union. The forum has varying expenditure towards disaster management, environmental protection and poverty removal every year and those expenditures are by and large funded by external assistance. The government of Australia and New Zealand each contribute 37 per cent of the annual budget and the member governments share the remaining amount. However, for extra-budgetary activities, the figure depends on the contingencies.

Australia's annual exports to the region are valued at Australian \$ 1 billion, mainly in manufactured goods. However, the imports are Australian \$ 163 million only, excluding Papua New Guinea. It is believed that Australia attaches more importance to Papua New Guinea because of economic and defence linkages. The development assistance to Papua New Guinea has been Australian \$ 337 million, whereas other forum countries were getting Australian \$ 131 million only. Australia is also funding the expenditures of the Universities of South Pacific, located in Suva, where specialized education and training suitable for South Pacific requirements are given.

Australia plays important role in environmental protection also. South Pacific Regional Environment Programme (SPREP) is being coordinated by Australia, is aimed at tackling the problems arising due to climate change and abrupt rise in the sea level. The climate change very often leads to rising sea level, which hastens the process of coastal erosion, inundate low lying areas and degrades water supplies as a result of salt-water invasion. The rising sea levels have adverse impact on coral, fish stocks and marine environment. All the countries in the region face the impact of climate change and coastal erosion. Australia being more advanced and technologically superior has obligations to devise ways and means to tackle this phenomenon and assist existential sustainability of the region.

11.7 ASEAN

The ASEAN was born on 8 August 1967 and all the countries of Southeast Asia are its members. Initially only non-communist countries had joined this grouping, namely; Thailand, Malaysia, Indonesia, Singapore and the Philippines in 1967, Brunei in 1984, and after the end of the Cold War, Vietnam (1995), Laos (1997), Myanmar (1997) and Cambodia (1999) also joined. ASEAN has 11 important dialogue partners and they are Australia, Canada, China, India, Japan, Korea, New Zealand, Pakistan, Russia, the US and the European Union.

The ASEAN was aimed at accelerating economic progress and regional stability. However, the international opinion differed in their assessments of the evolution of grouping. The pro-Americans viewed this as a right step in the direction of regional integration but the pro-Soviets viewed it as an American instrument to promote western interests. The Cold War perspective dominated the conduct of international relations and it took some years to understand the real significance of the ASEAN. It ultimately proved as a "model of development" and integration in the region.

The permanent Secretariat of ASEAN is located in Jakarta and the Secretary General is appointed for a tenure of five years. The ASEAN Ministerial Meeting (AMM), comprising ministers of Foreign Affairs of member states, meets annually, in each member country in turn, to formulate policy guidelines and to coordinate ASEAN activities. These meetings are followed by post-ministerial conferences (PMCS), where ASEAN ministers of foreign affairs meet with their counterparts from countries that are dialogue partners as well as ministers from other countries. The ASEAN holds at least one summit meeting once in three years. The first summit meeting of the ASEAN took place at Bali in 1976, which proved a landmark in evolving strategies to cope with the projected threat posed by the communist Vietnam (1976).

11.7.1 Objectives

The aims and objectives of the ASEAN declared in ASEAN declaration, known as Bangkok declaration (1967) stresses their common problems and common interests and the need to promote regional cooperation on the basis of equality and in a spirit of true partnership, in the interest of peace, progress and prosperity. The sectors of cooperation such as commerce and industry, tourism, finance, food production and supply, shipping and communication, etc. were given priority. In 1969 they established ASEAN Fund to run the various activities of the association. They had indeed given emphasis on economic cooperation in the beginning but later they embraced various activities for regionalism and cooperation. When membership included all the 10 countries of Southeast Asia, ASEAN pointed out threefold tasks in October 2003. The ASEAN leaders adopted a declaration, known as 'Bali Concord II', which committed the signatory states to the creation of (a) an ASEAN Economic Community, (b) an ASEAN Security Community and (c) an ASEAN Socio-cultural Community.

11.7.2 Australian Contribution

Australia is one of the dialogue partners of ASEAN and Australia- ASEAN Economic cooperation programme and joint Business Council have been evolving strategies to provide new thrusts in trade and investment relations. It was through Australian assistance that the Laos-Thai friendship bridge over Mekong was built, linking Bangkok to Vientiane by roadways. The ASEAN as a group is Australia's second largest export market.

The ASEAN region is regarded as a part of "forward defence" for the Australians. It was for this reason that Australia had taken part in Southeast Asia Treaty Organization (SEATO) in the past and contributed significantly to Five-Power-Defence-Pact by imparting training facilities to the defence forces of the region. Australia has also contributed significantly to the peacekeeping role in Cambodia and East Timor. However, Australia is not yet accepted as a trustworthy regional partner because of differences in mindset, perspective and outlook. For example, its enthusiasm and support for East Timor's referendum was not in tune with ASEAN opinion. Australia being a signatory to ASEAN Treaty of Amity and cooperation and having entered into a defence agreement with Indonesia in the past, should have restrained on matters of secession of East Timor. Its criticisms of Indonesia for the sake of self-determination in East Timor were not in the spirit of a good partnership. It was not Indonesians only but other members of the ASEAN were also not convinced about the righteousness of Australian position. It is very well understood that the endeavour of ASEAN had been to assure regional stability, but East Timor developments opened the floodgates of instability, which is not at all in the interests of good partnership.

11.7.3 Australia's Overtures

Australia under Paul Keating (1991-96) tried to consolidate Australia's regional position in the Asia-Pacific. In view with the new geo-strategic landscape after the end of the Cold War, Australia began to review its regional strategies. They came out with a proposal for a conference on security and cooperation in Asia (CSCA) aimed at promoting Asian dialogue and mutual confidence for comprehensive engagement. The statement on Australia's regional security as enunciated by Foreign Ministry on 6 December 1989 stated the following:

- a) Building a more diverse and substantive array of linkages with the countries of Southeast Asia, so that they have an important interest in the maintenance of a positive relationship with Australia;

- b) Continuing to support the major existing regional association, the ASEAN, and working with the countries of the region to shape additional regional multilateral organizations or arrangements, such as APEC, which can contribute to the social and economic evolution of the region;
- c) Participating actively in the gradual development of a regional security community based a sense of shared security interests;
- d) Working for the involvement of Vietnam, Cambodia, Laos and Myanmar in the cooperative framework of regional affairs;
- e) Recognizing that Australia, in vigorously pursuing its national interests in the region should do so as a confident and natural partner in a common neighbourhood of remarkable diversity, rather than as a cultural misfit trapped by geography.

The policy guidelines were comprehensive. Australia endeavoured to play a constructive role in Southeast Asian multilateral diplomacy to enhance security dialogue, trust building and practical cooperation participating in both formal track-I and non-official track-II forums, seminars, and working groups. They have participated in multi-layered process of physical security cooperation, which varied from simple consultation to intelligence sharing, and the consolidation of joint defence exercises.

Prime Minister Paul Keating and Foreign Minister Gareth Evans indeed proved pragmatic in attaching due importance to ASEAN region, but their successor Prime Minister John Howard and Foreign Minister Alexander Downer have not proved equally successful. Their reaction and decisions regarding Indonesia and East Timor since 1998 have adversely affected the goodwill that they had been trying to cultivate. Australian role in Cambodian peace keeping (1991-93) under Paul Keating were widely appreciated but its role in East Timor peace keeping (1999-2002) under John Howard was roundly criticized. Although Australia continues to attach importance to the regional issues, it has diluted the pragmatism of the Bob Hawke or Keating era.

11.7.4 Peace Keeping

Australia has played active role in peacekeeping operations in the ASEAN region. It contributed positively for the resolution of Cambodian crisis. When the Vietnamese forces withdrew militarily from Cambodia (1988), there was a need for comprehensive solution. It was necessary to bring different warring factions on the negotiating table and establish a legitimate regime. Again disarming the rebels was necessary to stop bloodshed. Australian Foreign Minister, Gareth Evans took personal interests in the conflict resolution. He conveyed that unless China stopped aiding and abetting Khmer Rouge, peace making was difficult and this had deterred the Chinese from extending support to Khmer Rouge rebels.

Australian proposals for compromise amongst warring factions and for broad agreement had been appreciated. The suggestion to create Supreme National Council in Cambodia and reference to the United Nations mediation were readily accepted. Australian proposals facilitated peacemakers in bringing about consensus and compromise amongst warring Cambodia factions. When the peace accord was signed in Paris (1991) and the UN dispatched the first batch of the UN Advance Mission in Cambodia (UNAMIC), it included Australian and French personnel only. Australia sent a military communications unit under UNAMIC and undertook the difficult task of removing mines. It provided its expertise, personnel and financial assistance in the peacekeeping operations. When the UN Transitional Authority in Cambodia (UNTAC) team led by Japan came to Cambodia, Australia continued to play its constructive role along with ASEAN counterparts. Australian role was highly appreciated by the ASEAN as well as the UN during 1991 to 1993.

The euphoria of success in Cambodia could be sustained but when Australia undertook a similar role in East Timor it did not care for the opinion of regional partners. Australia had been sheltering and supporting East Timorese freedom fighters in the past and it was due to Australian Prime Minister, John Howard and Indonesian President B.J. Habibie's interaction that referendum proposal for East Timor had been accepted. The idea of holding a referendum in East Timor was disliked by majority of Indonesians Cabinet members and the Armed Forces were especially annoyed that they had not been consulted on the issue of national importance. The ASEAN countries too were sceptical about this proposal, because they too believed that the conduct of referendum might have wide ranging repercussion at the regional level.

In April 1999, the Indonesian military and Fretilin, had already signed a ceasefire. Both parties had agreed to hold the UN supervised election. They had also agreed to invite civilian and police observers from six countries, namely Australia, Britain, Germany, Japan, the Philippines and the US. Australia was enthusiastic to facilitate the conduct of referendum in East Timor, which was held on 30 August 1999. It was keen to provide military and police coverage in the process as part of "Save East Timor" drive. It agreed to provide US \$ 14 million to the UN Budget out of US \$ 20 million. Besides, it provided the commander and the largest single contingent (4500 personnel) to the international force for East Timor (Interfet) and subsequently it provided 2000 personnel to the UN Transitional Administration in East Timor (UNTAET). It argued the case of East Timor at the UN, blamed pro-Indonesian militias for sporadic violence and sought UN intervention for peace keeping. The referendum was conducted in a very surcharged atmosphere in which 78.5 per cent of East Timorese voted for independence.

Although East Timor became independent and Australia contributed substantially to its nationhood, its actions in peacekeeping was controversial. The countries in the neighbourhood became alarmed about Australian motivations and objectives in the region. It offended Indonesia, the largest neighbour of Australia, to abrogate defence pact and express no confidence in the Australian conduct.

11.7.5 Trade and Investment

Trade and investment are important components of regional cooperation and Australia has given due importance to ASEAN region which has proved mutually beneficial. The strategies for promoting relations are discussed at ASEAN-Australian Consultative Meetings and ASEAN Post Ministerial conferences. ASEAN-Australia Development Cooperation Programme (AADCP) suggests plans and programmes besides evolving the mechanism to generate funds and expertise. The trade between Australia and ASEAN showed increasing trends in 1990s. Total trade figures jumped from A \$ 8.8 billion in 1990 to A \$ 18.4 billion in 1995. Two-way trade between Australia and Singapore itself touched A \$ 5 billion in 1993-94 followed by Indonesia at A \$ 1.9 billion, Malaysia at A \$ 1.3 billion, the Philippines at A \$ 698 million and Vietnam at A \$ 443 million. Similarly Australian investments in the ASEAN region grew and the figures of 1998 alone stood at A \$ 6.6 billion. The investments in tourism industry, roadways and environmental sectors are quite significant and the construction of the Lao-Thai Friendship Bridge over Mekong have indeed connected ASEAN region with People's Republic of China directly.

Australia's total exports to ASEAN grew three times between 1988 and 1998. From A \$ 7.5 billion in 1988 it increased to A \$ 18.4 billion in 1998. Under the stewardship of Paul Keating, ASEAN was considered more important export market for Australia than the US. The ASEAN countries constituted just 13 per cent of the total Australian exports but Australia attached priority to that region. In 1995 six of Australia's top 10 trading partners were from East Asia. The ASEAN as a group, is Australia's second largest export market and on the other hand, ASEAN exports to Australia is growing. Two-way trade reached at A \$ 18.4 billion in 1995. Australian investment in ASEAN had been growing at the rate of A \$ 6 billion annually and similarly ASEAN investments in Australia had grown at the rate of 17 per cent per year since 1991.

11.7.6 East Asian Financial Crisis

The East Asian financial crisis (1997-98) caused serious economic downturns in the ASEAN region. As a result there were rising costs of basic necessities, closure of several banks and construction activities. There was rising unemployment and reversal of the ASEAN boom. Thailand, Indonesia, Malaysia and the Philippines were worst affected. The high levels of short-term borrowing in foreign currency, inadequate banking practices and weak regulations and supervision of the financial and corporate sectors were some of the important reasons for the crisis.

The World Bank, IMF and the Asian Development Bank took immediate steps to revive the economies and the international community also came out with substantial assistance. Australia responded through its overseas aid programme to address the impact of the crisis. In November 1997, Australia made a modest contribution to the bail out' fund to overcome the impact of financial crisis and offered A \$ 1 billion to Indonesia & A \$ 1.5 billion to South Korea. Total Australian aid to East Asia in 1999-2000 was A \$ 421 million. This was A \$ 43 million more than the aid given in 1997-98, and than 11 per cent increased; Australian assistance to the region and the bulk of aid went to Thailand, Indonesia and the Philippines.

Australia also undertook a joint project with the ASEAN to identify ways to improve monitoring of social conditions and to develop social safety nets. These were the mechanisms for protecting individuals from severe poverty and large unexpected falls in income. They included food subsidies, feeding programmes, employment programmes and social funds. Strengthening the ability of economies to monitor the impacts of the crisis, as well as to develop social protection measures and safety net systems formed an important part of the Australian response.

11.7.7 Security Concerns

Australia was an important alliance partner in SEATO and Five-Power-Defence-Agreement and it had contributed substantially to strengthening security profile of the region. It had established Singapore Air Force Training School in Western Australia and extended training facilities for maritime surveillance to protect major sea-lanes in the ASEAN region. It also provided advanced level training to the Armed forces to equip ASEAN military personnel to be trained in modern technologies. When ASEAN Regional Forum (ARF) was evolved in 1993, Australia was actively involved in its activities. The ARF was aimed at the promotion of confidence building (including disaster relief and peace keeping), the development of preventive diplomacy; and the elaboration of approaches to conflict. This is a 19 member grouping, ensured to seek the involvement of China and others in security dialogues. ASEAN countries especially Vietnam, Malaysia, Brunei and the Philippines, have outstanding differences of sovereignty over the Spratlys. Vietnam, Malaysia, Brunei and the Philippines are also occupying certain parts of the Spratly group of islands. China does not agree with the claims of the ASEAN states and has sovereignty claims over the entire South China sea. ARF has adopted track-I and track-II diplomacy to convey its security concerns and Australia has contributed its diplomatic inputs for its success.

Australia believes that ARF is an effective multilateral forum to articulate the security concern of the partners. Although ARF does not have a standing army, it is an effective forum for confidence building and to minimize the scope of conflict. Australia has agreed to share intelligence with the ARF partners. They do feel that if Southeast Asian security is threatened, they will not remain secure. Foreign Minister Alexander Downer said in 1997 "integration of all regional countries in a shared security system is the best assurance of regional stability." Australia's strategic policy (1997) also stated: "our aim is to create a network of regional defence partnership, wherein regional countries develop a shared sense of strategic perception and objectives and working levels of inter-operability". In that connection, they find ARF to be a suitable forum.

11.7.8 Terrorism

The ASEAN region is facing the serious threat of terrorism in recent years. The rise of Taliban in Afghanistan and Al-Qaeda had implications at the global level. They supported the rise of fanaticism and Zehad at the global level. They targeted even the US and bombed World Trade Centre and the Pentagon on 9th September, 2001. The international community was alarmed and the ASEAN ministerial statement on 12 September 2001 condemned the attacks on the US. It was observed thereafter that Indonesia and some other countries in the ASEAN had become the haven for breeding terrorists. The Jemaah Islamiyah was coordinating the activities of the terrorists in the ASEAN region and its target was to establish Islamic states in the region.

The ASEAN summit in November 2001 issued a joint action to combat terrorism. The declaration strongly condemned terrorist attacks and encouraged member countries to ratify the international convention for the suppression of financing of terrorism, to strengthen national mechanisms against terrorism, and work to deepen cooperation, particularly in the intelligence exchange, international conventions to combat terrorism and a regional anti-terrorism convention. Although the declaration did not link terrorism with religion, it is universally known that the Islamic outfit in the name of Jemaah Islamiyah and Al Qaeda supporters have raised trained militias and raked up violence and hatred in the name of Islam.

The next important target of the terrorists (belonging to Jemaah Islamiyah) was to bomb tourist resort in Bali (Indonesia) where a number of Australians and Europeans were holidaying. They indulged in serial bomb blasts on 12 October 2002 and created a panic situation. As many Australians, were killed in the blasts, naturally Australians were infuriated. Although the entire ASEAN region was surcharged, utterances of

Australian leaders on the issue were disturbing. When Prime Minister, John Howard threatened to take pre-emptive action against any country in the region, which acted as a base for an actual or potential terrorist attack it generated strong protests in the ASEAN region. Howards declaration provoked Malaysia and the Philippines. Those two, which were projected as the important base of terrorist network in the past, became apprehensive of being caught as a target of pre-emptive action. The collective perception of the ASEAN was that for tackling a serious problem of terrorism, any unilateral approach could not work. Malaysia was so disturbed by Howard's utterances that it threatened to pull out of the anti-terrorism pact. Although, Indonesia also felt offended, its official response was restrained.

Australia came out with certain proposals to combat terrorism. These proposals, known as Australia's Future war fighting concept (FWC) stated Australia's interests as 'truly global' and that events far from its neighbourhood can have direct impact upon its citizens. After the Bali bombing, Australia revised its 2000 military doctrine to emphasize power projection forces and preventive operations in distant theatres to forestall threats that could degenerate into terrorism, or worse. Thus Australian doctrine and strategy fully complemented the US readiness to undertake preventive operations against terrorism.

The Australian approach especially under the stewardship of John Howard is projected as reactionary in nature. The American President, George W. Bush might express his appreciation for Howard and might address Australia as America's "Sheriff" in the region, but unilateral approach to deal with the menace of terrorism may create complications for conflict resolution. The US-British intervention in Iraq was responded in the shape of 7/7 bombing in London and the network of terrorists are invisible. All those who advocate unilateral approach to resolve an international problem should know clearly that SEATO failed in its objectives because the Americans adopted a unilateral approach. The US did not like to consult the alliance partners before actual military intervention in Vietnam, Laos or Cambodia. Hence SEATO became ineffective and the war against communism was ultimately lost.

11.8 SUMMARY

Australia is a major power in the region and it is technologically advanced. Its support, cooperation and coordination are required for the success of Pacific Islands Forum as well as ASEAN. It is indeed an outstanding regional actor which has endeavoured for closer engagement with Asia, but there are some issues which need to be attended to:

- a) Australia is situated in Asia but the powerful countries in the West govern its mindset. It has not yet come to terms with the geographical reality.
- b) Australia is keen to promote free trade in the region. There are several underdeveloped nations in the neighbourhood. Papua New Guinea, Kiribati, Vanuatu, Solomon Islands in the South Pacific and Laos, Cambodia and Myanmar in ASEAN are poor nations. How their interests will be protected and what incentives will be provided or what qualitative change free trade will bring, are some of the issues to be pondered over.
- c) ASEAN region is vulnerable to terrorist attacks. The terrorist gangs have proliferated in Indonesia, Thailand, Philippines, Laos and Myanmar. Some of them have popular support in certain localities. A coordinated action plan at the national level, supported by their regional organizations can deter their proliferation and activities. Anti-terrorist campaigns have to be launched with a human approach so that their ideology and activities are exposed. Australia has been advocating an exclusive hard line approach ever since 2001, which may not prove suitable for combating the terrorists.
- d) Australia is perceived as "Regional Sheriff" in the Asia-Pacific region. President Bush stated that Australia is "America's Sheriff" in the region and the Howard administration took it as a compliment. The fact that Australia had no objection to be known as "America's Sheriff in Asia" was interpreted in different ways in the region. If Australia has to play the role of a regional sheriff, it has to articulate regional problems and perspective not only as an American ally, but also as a country from the region, voicing regional concerns.

11.9 EXERCISES

- 1) Discuss the diversity and disparities between Australia and its neighbours in the South Pacific.
- 2) Examine as to what efforts Australia has made to improve its relations with the countries of Pacific Forum.
- 3) What is South Pacific Nuclear Weapon Free zone? What has been the response of Australia and other great powers such as UK, USA and France?
- 4) Give a detailed account of economic and political involvement of Australia in the ASEAN.
- 5) What are Australia's views on ARF as a Regional Security Forum?
- 6) What is Australia's Policy of fighting terrorism in the region?
- 7) How has Australia helped the countries of East Asia during East Asian Economic Crisis of 1997-98?

11.10 SUGGESTED READINGS

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