There’s something about foreign policy that makes Australians feel uncomfortable.

Its ceaselessly interactive processes, the adjustments and compromises it requires, the close attention it demands, its backroom dimensions, its unheroic nature, the stuffy envoys of popular fiction, don’t sit easily with us.

In part, that is why defence and security policy has been much more central to Australians’ sense of themselves in the world and why the story we tell about ourselves is more often one about diggers than diplomats.

I’ve spent the past couple of years writing about the history of Australian foreign policy in a book which will be published next April. And this question keeps nagging at me. Why has foreign policy been regarded so suspiciously in Australia? Why do we privilege security and strategy? How did foreign policy give the game away and become – for the public anyway, and sometimes, it seems, for academics as well – a concept drained of much meaning?

The issue is important because Australia faces a future as uncertain as any I can recall, and effective foreign policy will be essential if we are to negotiate our way through it.

I want to use this opportunity to argue the case for an Australian foreign policy tradition which should be defended and restored to a central position in the broader concept of statecraft. I want to draw a distinction between foreign policy and strategy, at least in the way it is often presented in Australia, and to suggest that we need to think about foreign policy separately from the overlay of national security which has sometimes blanketed it.

And I want to do this at a time when the government is embarking on a new foreign policy white paper and say something about that as well.
What is foreign policy?

A whole literature exists trying to define foreign policy. But for my purposes it is enough to say that it is the way nation-states articulate their responses to the world outside their borders and their efforts to shape it.

Foreign policy sits in my own mind one step down from statecraft - the art of government - which embraces all the attributes of state power, domestic as well as international, military as well as diplomatic. But foreign policy is one of the central methods by which statecraft is pursued.

It is different from diplomacy, which is its operating system, and which, as Christopher Hill has noted, is ‘ubiquitous and unavoidable’, existing ‘in every action taken by one actor towards another’. ¹

It operates in, and on, an international environment of bewildering complexity whose qualities, like those of any complex adaptive system, are impossible to anticipate. It comprehends the economic and security interests of the state, the values of the men and women who lead it, hard power, soft power, the most selfish ambition of political leaders and their most noble aspirations to create a better world. Feedback processes within the system generate unpredictable responses, leading to sudden tipping points.

In the course of my own professional life I have seen three such changes: the collapse of the Soviet Union which ended the bipolar structure of the Cold War world; the terrorist attacks in September 2001, which showed that non-state actors could change the behavior of major states; and the global financial crisis, which signaled the end of the economic hegemony of the G7 industrialised countries and helped fuel the resentment which led to Brexit and the election of Donald Trump. The explanations for each of these developments were clear enough after the event but their precise anticipation was impossible.

Foreign policy should have purpose and objectives, of course. It is not simply a reaction to external stimuli. It must plan for the long-term. But neither is it a

teleological process. There is no endpoint to foreign policy any more than ‘the economy’ can have a destination.

Nor is it simply a set of objectives – to have close relations with Indonesia; to avoid unwanted choices between China and the United States – any more than economic policy is the objective of making the economy bigger or even of doing so by cutting taxes or increasing industry support.

Such broad objectives must be there, of course, but foreign policy is the actual means by which the state focuses and leverages the resources available to it to advance its interests (defined in a democracy by the government and judged by the electorate) and the values it supports.

It is the way in which Australia translates the objective of closer relations with Indonesia (meaning relations which are more closely aligned with our ambitions) into outcomes on the ground: franker dialogues at leadership level; deeper trade, or more extensive security, relations; more effective action against people smugglers; mutual action in regional or international forums on issues of common interests.

From time to time in Australia a pointless debate flares up about the difference between interests and values in foreign policy and how we should weigh them. Foreign policy involves, in fact, the perpetual and unavoidable interaction of values, interests and power.

Democratic governments must justify their foreign policy decisions in ways that can command public support, and that often means nesting them in a values-based argument.

But because we think of values in absolute terms – democracy, or the rule of law, or gender equality – they are hard to trade. So interests are a more useful tool for practitioners and become the daily coinage of the foreign policy realm. You can measure trade and investment intensity; you know what the consular implications of an action might be; you can gauge defence interests.
In truth, however, we are also prepared (if quietly and uncomfortably) to trade values for interests if the stakes are thought to be high enough, as they have been with asylum seekers.

Still, the differences between values and interests are often hard to discern. To take an important contemporary question – how should we respond to maritime tensions in the South China Sea? For Australia, the continuing application of the UN Convention on the Law of the Sea in the waters of Southeast Asia is clearly both a value and an interest.

Despite Lord Palmerston’s famous aphorism, neither interests nor values are eternal and perpetual. The way we interpret each of them can change quite quickly. A core interest of every Australian government after the Second World War was to prevent Japan ever again developing a military capability. By the early 21st century, our bipartisan national interest was to see Japan becoming an active defence partner.

Values also change. All Australian governments now accept that environmental protection is an important value, whereas seventy years ago, the value would have been seen as our responsibility to exploit the earth’s natural bounty.

**Strategy and Foreign policy**

Strategy and foreign policy are different things. I have nothing but admiration for the clarity with which strategists – among whom I number many friends - see the world before them. In his magisterial book on the subject, the distinguished King’s College scholar, Sir Lawrence Freedman, defines strategy as “... The central political art. It is about getting more out of a situation than the starting balance of power would suggest. It is the art of creating power”².

But Freedman here is talking about something I would call statecraft: the matching of ends and means, the prioritising of objectives and instruments. In Australia, strategy has sometimes taken on a different dimension, utilising the language and thought patterns of defence planning in an effort to impose conceptual and structural rigidity on an elusive, contingent world.

Strategic policy and foreign policy have different purposes. Strategic analysts seek to identify a desired order, to focus choices, to sharpen differences. The job of foreign policy, on the other hand, is to maximise choice and increase opportunities and options; to expand the parameters within which the state can act; to manage disorder.

Let me be clear. I want our Generals and Admirals to understand strategy and to win wars. I want our fighters to understand it. But I don’t want it to be confused with foreign policy. I don’t want a way of thinking about the world that works primarily in the military sphere to be the way we think about the entirely different domain of foreign policy.

Late in the 20th century, threats from terrorists, cyber criminals and people smugglers began eroding the barriers between the domestic and the foreign, between the state and non-state actors, forcing governments to rethink their ideas of national security: what it was, who threatened it and how it should be secured. This was absolutely necessary.

But in the process, the broader concept of foreign policy became subsumed within a new framework of National Security Policy and relegated to a subsidiary position. It was dismissed as ‘diplomacy’ in contrast to a security world of harder edges and darker realities. Few of the resources that were poured into the intelligence and security agencies made their way to foreign policy. The result, as the Lowy Institute has been recording for a number of years now, has been a decline in the capabilities of the Australian foreign service compared with its developed country counterparts. 3

Education markets responded too. How many university courses on foreign policy compared with security or strategic studies? How many articles about foreign policy compared with grand strategy?

We need to begin thinking urgently about foreign policy again. Each of the legs of the tripod that has supported the foreign polices of every Australian government since 1942 - an alliance with a great and powerful friend;

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3 Alex Oliver, The Lowy Institute Global Diplomacy Index, https://www.lowyinstitute.org/publications/lowy-institute-global-diplomacy-index
engagement with the region around us; and support for a global rules-based order – looks weaker.

The United States will no longer be as dominant as it was in the late 20th century. It will remain the world’s most powerful state, but the fragile condition of its own polity will require careful tending if its global leadership capabilities are to be restored.

In the Asian region we face a situation where, as many people have pointed out, our principal economic partner is no longer a member of the same security alliance. Successive Australian governments since the 1990s have told us that there was no need for Australia to choose between our security and our economic prosperity. In fact, we are making such choices every day and those choices are becoming more complicated.

Finally, the rules-based order seems more fragile. The purpose of that order has always been to constrain the untrammelled exercise of power by great states. But it also, inevitably, reflects their power, just as American pre-eminence shaped the structure and location of the new global institutions at the end of the 1940s. It has been easy for Australia to support the order, because the rules have overwhelmingly been set by us and our friends. But China and the other emerging countries have a growing interest in shaping the world in which they are stakeholders. In new areas like cyber and genetic engineering, norms and standards can only be set with their engagement. Australia will have to become more directly engaged in shoring up the multilateral system and establishing the new rules.

Australian foreign policy has only known a globalising world. That was the ambition of the Atlantic Charter which set out the war aims of the allies. It lay behind the creation of the great post-war institutions of Bretton Woods and the United Nations. Ever since then, normative ambitions and rulemaking aims in trade, investment, arms control, maritime law and environmental protection have been global in scope. Even the great strategic struggle of the post-war years, the Cold War, was global in its objectives and dimensions.

But in Europe and the United States, and in important parts of the developing world, the arc seems to be bending. In trade and investment trends, migration
and treaty-making, the empirical evidence that globalisation is slowing is mounting.\footnote{Ruchir Sharma \textit{When Borders Close} New York Times 12 November 2016} Identities are becoming more atomised.

The last time the foundations of Australian foreign policy look to so uncertain was during the 1960s, when Britain withdrew East of Suez and joined the EEC.

Counter-globalisation threatens a new protectionism which could have disastrous economic consequences, and a new nationalism which could spark fresh conflict. The sad history of human civilisation from the Romans through to 1914 suggests that when cosmopolitan ideals fade, dark ages await.

The government has announced the development of a new foreign policy White Paper. I have the highest respect for the people working on it, and I fully support the idea that we should reflect deeply on the changing international environment, Australia’s place in it and the principles that should shape our behaviour.

Nevertheless, the problems of foreign policy White Papers have been noted before, including by me. Every public foreign affairs document is a message to others, an exercise in diplomacy, anxiously perused by ambassadors. Which countries are mentioned? In which order? Modified by which adjectives? That necessarily helps shape its form and content.

How do you write a foreign policy White Paper without making it too general to be useful, or too specific to be plausible? How do you move beyond the objectives which are the common currency of every Australian foreign policymakers’ speeches – a commitment to the alliance, the region, open trade, the multilateral system, to values and order - and suggest how these objectives might be reached?

Few important developments in Australian foreign policy in recent years could have been foreseen by White Papers – not Australia’s involvement in East Timor, or Howard’s response to the Indonesian tsunami, or Rudd’s work on the G-20 leaders meetings. No White Paper published in June this year would have considered the implications of the election of the Trump Administration.
Defence White Papers have a particular task. Multibillion-dollar purchases of defence platforms which will last for many years require extensive justification to taxpayers through a careful, formal, alignment of defence strategy, capability plans and funding.

Foreign policy is different. Its broad objectives may be simply stated – advancing national interests and values – but the paths required to reach them shift continually in response to the behaviour of other actors in the international system. Foreign policy carves tracks through dense and constantly-changing undergrowth and moves quickly when the path of least resistance appears.

What sort of national capabilities will Australia need in the fragmented period ahead and how can we develop them?

Obviously, we need the economic strength that gives us weight in the world and the capacity to support an effective military force. We need to preserve the social resilience that keeps Australians united behind fundamental democratic values. That is the business of statecraft.

Foreign policy draws on all the available instruments of the state, and many that lie in the broader community.

To understand the world, it needs reconnaissance capabilities, found partly in overseas missions and membership of international organisations. To disseminate policy, to conciliate and persuade, it needs diplomats, not only from DFAT but the many other government agencies now active in the business of foreign policy, who are well trained in their craft. It needs to be able to utilise all the potential resources of Australian soft power, outside as well as inside government, and to build them further.

If, to draw on the language of its Defence counterpart, the foreign policy White Paper can “outline the investments the government will need in the coming decades to secure its foreign policy objectives and align foreign policy capability plans with funding”, then it will be doing something new and worthwhile.
Canberra’s policy makers since 1942 have differed in their objectives, energy, imagination and skill. Nevertheless, an Australian foreign policy tradition with distinct and valuable characteristics has emerged.

It has been global in its understanding of Australian interests, even when focussing particularly on the region. It has been activist and ambitious, seeking a seat for Australia at any global or regional table and prepared, if necessary, to do the carpentry to help build it. It has been free of much romance or any sense of Australian exceptionalism – ‘practical and realistic’ as John Howard would frequently say. For this reason it has been good at managing alliances and developing coalitions.

But it has also had what Gareth Evans called ‘instincts for good international citizenship’, contributing positively to the international order through a generally well-crafted aid program and significant contributions to rule-making, institution-building and peace keeping.

That tradition is worth preserving and defending. It is another important task for the proposed White Paper – to remind the Australian public of these achievements and to explain how foreign policy will navigate the uncertain and troubling terrain ahead.

In a world shifting away from globalisation, the experiences of the past 75 years will offer fewer lessons for our policymakers. The Australian foreign policy tradition will have to be interpreted in new ways. The hard work is just beginning.