Interests and Values, History and Geography: The Tensions in Australian Foreign Policy

John McCarthy AO, distinguished former diplomat, Vice Chancellor's Fellow at the University of Melbourne, and Asialink senior adviser, delivered the Anthony Low Lecture on 23 July 2024.

The Lecture commemorates the work of the late Prof. Low, former vice chancellor of the Australian National University and Director of the Research School of Pacific Studies – the forerunner of the College of Asia & the Pacific. This is the full text of McCarthy's speech.

When Angela and Matthew Neuhaus asked me to give this lecture, I hesitated. Anthony Low was a great historian and academician.

I was not going to do him much credit if I tried to get too deeply into the history of Australia's international dealings, or indeed or if I sought to cover the waterfront of today's global challenges.

On the first, there are better people around. On the second, there are also better people around. And everybody's doing it.

So I might contribute better to Professor Low's memory if I reflect on what for me was the over-riding feature of forty odd years as a member of the Australian foreign service, mainly in Asia and the United States.

That feature is that the foreign policy challenge for Australia and New Zealand differs from most other western countries, noting that the United States has a singular role.

We differ because the nations most central to our external focus, and again the United States' role is unique, have historical, ethnic and religious backgrounds different to our own. Their level of economic development is in the main much lower than ours. Most have been subjected to colonialism.

All these factors colour their outlook and expectations.

This feature of our external environment presents Australia and New Zealand with two sets of tension as determinants of foreign policy – not shared, at least not to the same extent, by other western countries.

These tensions are between our interests and values and between our history and geography.

I would like to talk about these tensions.

Interests and Values

People in the foreign affairs business tend to see policies as being shaped by the need to protect and further national interests, by the values that guide our societies and by internationally agreed norms, most of which reflect a broadly Western values system.

At bedrock, the definition of national interests includes security interests – our safety, territory, society and way of life; and our economic interests - or our prosperity.

This definition has sometimes been widened, including by the former Chancellor of this University, Gareth Evans, who has posited that a country's role as a good international citizen constitutes an interest.[1]

Values include beliefs about what is important to individuals, to communities and to societies.

Norms encompass shared rules and expectations based on values guiding interactions within or between groups, societies or countries.

Values integral to the Enlightenment, including an emphasis on individual rights, a commitment to reason, and the pursuit of liberty, guided the development of political thinking in the West from the 17th to 19th centuries.

The norms deriving from these values constituted much of the intellectual underpinning of the so called "Rules-Based International Order "– and the international machinery that accompanied it – established after World War 2.

But not many years had unfolded after 1945 before visible differences emerged as to what values should constitute international norms.

The Communists emphasised the authority of the State.

Leaders of developing countries, including Lee Kuan Yew and Mahatir Mohamad in our own region, advocated values rooted in their societies which placed the well-being of the community and economic development above democracy, the rights of the individual or freedom of expression.

Some Islamic and ideologically atheist states took issue with aspects of western values as they applied to freedom of religion.

But there is no real doubt about where Australia sits. Our values are Western. We don't need to apologise for that. As Wang Gungwu, a distinguished former professor of this university and colleague of Professor Low has noted, there are things about Australia that Asia would like to emulate.

There is a wealth of debate about which carries more weight in international dealings, interests or values. This is interesting, although I wonder if it is fruitful. Both count.

The realist school of international relations would emphasise interests.

For example, in one of the most important developments in the post-World War 2 era, American security interests deriving from competition with the Soviet Union led to Nixon's rapprochement with Mao's China, although the ideology and values of both China and the Soviet Union were anathema to the United States.

And before the War, FDR's famous, if possibly apocryphal, comment about the then President of Nicaragua, Anastasio Somoza Garcia that "he may be a son of a bitch, but he's our son of a bitch", was indecorous. But it had the ring of the real world.

For Australia, our security interests, as seen at the time, drove our involvement in the Vietnam war. They were also behind our role in the Cambodia settlement in 1991 – arguably the final chapter of that war.

Our economic interests stimulated the creation of APEC and our activism in the GATT and then the WTO.

Our environmental interests prompted us to take the lead on the Madrid Protocol on the Antarctic Environment.

That said, some of our most tricky regional problems have derived from values-related issues.

Over the years, the question of capital punishment of Australian citizens caused ructions in our dealings with Singapore, Malaysia and Indonesia.

Many of Australia's problems with Indonesia have derived from Indonesia's reactions to issues seen to impinge on the dignity of its President, of which the most prominent instance was the bugging of former president Yudhoyono and his wife.

And the tensions between Australia and Indonesia over East Timor were driven by Australian values rather than interests.

Our differences were more about the treatment of the East Timorese by the Indonesian military, and about the East Timorese being precluded from having enough say in their own affairs, than concerns about our security.

Indeed, the Canberra view on East Timor was that our strategic interests were best served by Indonesia's incorporation of East Timor.

Our most serious rift with China – that under the Morrison government – was driven not only by perceived security and economic factors, but by different values and by accusatorial political styles, particularly ours.

Soft Power

In a global context, the importance of values was underlined in the early nineties by Professor Joseph Nye of Harvard University who argued that 'soft power', or the power to persuade and influence without coercion was a major factor in the United States' prevalence over the Soviet bloc in the Cold War.

Nye suggested that Soft Power rested on three resources: a nation's culture (where it is attractive to others); its political values; and its foreign policies (when others see them as having moral authority).

Nye did not discount hard power. He argued, with others, that hard and soft power taken together constituted "smart power."

A measure of confusion about the concept of soft power has evolved over the past generation or so partly because NGOs, PR firms, among others, have created an industry of indices to measure soft power, encompassing everything from governance, education and wealth, to lifestyle, pop culture, tourism and cuisine.[2]

But Nye's narrower concept of soft power still makes sense.

The burning question is whether western soft power, in terms of Nye's original definition – and by extension, western values – have the same authority and salience as they did 30 years ago.

I am afraid they don't.

Global perspectives about American political culture and international conduct have always included doubts, notably in the Vietnam-Watergate-Civil Rights era.

These doubts increased with questioning of the rationale behind United States' interventions in Iraq and Afghanistan, the advent of Mr Trump and acute political polarisation in the United States.

The promise of a global democratic surge – bright in the 90s – has dimmed. There has also been a swing to the right – in some cases the extreme right – in much of Europe.

And despite recent signs of a questioning of populist politics in India and Turkey, the democratic credentials of these countries no longer have the shine of a decade ago.

The Global South

This trend away from democratic precepts and governance, and the ensuing decline in Western soft power, has impacted Western interests in the so-called Global South.

This is important because the Global South is where, in the main, the competition for influence between the West and China – and to some extent between the West and Russia – is taking place.

The origins of the Global South are in the Non-Aligned Movement of the Cold War and in the Group of 77, a coalition of developing countries in the United Nations.

It has more clout now than a generation ago.

Its leading members are wealthier and more influential. India, Brazil, Mexico, Indonesia, South Africa and Saudi Arabia stand out.

China is theoretically in it. In practice, it is perceived as a separate force – sometimes in tandem with Russia, and as the opposite pole to the West.

The Global South's heterogeneity often precludes it from adopting uniform policies.

However, the broad perspectives of most of its members are clear enough.

It does not accept what it sees as the West's view that its problems are the world's problems, but that the Global South's problems are its own.

It wants to have a greater say in global affairs and will not be ignored.

And in recent years, Global South perceptions of the West, and by extension of Western values, have taken a number of hits.

First, on COVID 19.

Most developing countries saw the disputes between Trump's America and China, and the frailty of Western vaccine distribution, as failures in the international response to the pandemic.

In an open letter in March last year, former UN secretary-general Ban Ki-moon and former OECD chief Ángel Gurria claimed that unequal access to COVID 19 vaccines cost about 1.3 million lives over 2021 – one every 28 seconds.

Second, Ukraine.

Most members of the Global South oppose Russian aggression and want a ceasefire. Most backed UN resolutions castigating the invasion. But only a handful were prepared to join sanctions against Russia.

Many believed that they were being asked to make economic sacrifices to protect Western interests and that the war was about those interests as much as about Ukraine.

In a speech last year, Dr Fiona Hill, a former official in the American National Security Council – and no dove on Russia – put it well.

She described resistance within the Global South to Western appeals for solidarity on Ukraine as "mutiny against what they see as the collective West dominating the international discourse and foisting its problems on everyone else, while brushing aside

their priorities on climate change compensation, economic development and debt relief."

Third, Gaza.

However iniquitous the actions of Hamas on 7 October last year, continued, if increasingly qualified, support by the United States and other Western countries for Israel when the actions of Mr Netanyahu's government have resulted in almost 40,000 Palestinian deaths, is seen in the Global South as giving the lie to western talk of principles.

Fourth, and the heart of the matter for Australia, is United States-China competition.

Most Australian foreign policy calculations in the last decade have derived from a perceived Chinese threat and the need for policies and machinery – in which the American role is central – to meet that perceived threat.

However, most countries in the Global South do not see China in the same way.

This inter alia raises the issue of Chinese soft power.

True, some in the Global South are wary of Chinese belligerence, including of China's conduct in the South China Sea.

A number of developing countries have suffered from economic dealings with China, including the accumulation of debt.

However, these downsides have in the main been outweighed by the economic benefits of partnership with China.

China is the biggest trading partner of most Africans, South Americans and Southeast Asians.

A recent Lowy Institute Index found that in terms of diplomatic influence and economic relationships in Asia, the balance favoured China over the United States.

And the Chinese avoid making suggestions as to how countries in the Global South should run their affairs.

By contrast the Western tendency to preach is seen as hypocritical.

A pro-Western Southeast Asian political figure commented to me only two weeks ago about American policy in the sub-region: "They don't deliver on anything. They just talk of values."

History and Geography

Now I get to the contest between our history and geography – a second major determinant of our external policy direction.

We understand our geography pretty well. But we look at it through the prism of our history.

When I visited India a few years ago, an Indian foreign policy luminary asked me whether Australia's policy push into India, which began shortly after the turn of this century, had been undertaken at the request of the United States.

My interlocutor was not winding me up.

Although the premise of his question was wrong, I understood why he posed it.

We have done much with our region. Our dealings with Japan stand out. The Keating push on Asia in the nineties made a difference-above all with Indonesia. The Cambodia settlement – the end of the Indochina wars – owes much to Australia. While our foresight during the East Timor Crisis had gaps, we managed it with competence.

That said, Australian external policy has historically placed greatest emphasis on close alliances with powerful like-minded friends. Our hallmark is being on the team.

This was evident in the understandable immediacy of our involvement in two world wars, and our role in Korea, Vietnam and several times in the Middle East. We don't sit things out.

The titles of two of the most important books on Australian foreign policy – "A Frightened Country" by Alan Renouf and "Fear of Abandonment" by Allan Gyngell – tell us a lot about ourselves.

These days, our sense of insecurity and the ensuing urge for protection is reflected in the unambiguity of our alignment with the United States on both China and the Ukraine, and to a lesser extent on Gaza.

It is evident in our commitment to AUKUS and in the emphasis we currently place on our involvement with the Quad and the Five Eyes Intelligence Group.

Being on the team is both interest-driven, in terms of our perceptions of our own security needs, and values-driven, in terms of our historical associations with the West, particularly with the Anglosphere.

And as a country – not just as a government – we think like the team. Our focus is inevitably on the team itself – essentially the United States and others in the West; to some degree on Japan and India; and on the opposition, China and Russia.

This tendency is reinforced by a media that plays back our own perspectives and those of other Western anglophone countries.

This means that those in our own region see our place on the Western team not just as a vital aspect of Australian foreign policy – and let us agree it should be – but as its paramount feature, which is questionable.

We are also a nation that has crushes on others in our region – Indonesia, India, China – and then allows the romance to fade; and one that mounts mighty studies on our place in the region, then runs out of puff, or changes governments and doesn't follow through.

This is understood in the region. They know us better than we think they do. Diplomacy needs stickability.

So What?

At this stage in a speech, you in the audience are entitled to say. "This is all well and good, but where's the beef? What are we supposed to do?"

Here are the thoughts I leave with you.

First, and this is from a member of a profession supposed to worry about upsetting foreigners, we must not water down for overseas consumption, advocacy of our cardinal national values. These make us who we are.

Indeed, we must make clear our aversion to conduct contrary to the norms that most of the world claims it espouses – essentially, those set out in the Universal Declaration on Human Rights.

This is a different thing to allowing our Western political culture indiscriminately to impact our foreign policy discourse. For example, Mr Keating's description in 1993 of Malaysian prime minister Dr Mahathir as "a recalcitrant" or Mr Abbott's reference to Australia's $1billion gift to Indonesia after the 2004 Tsunami when seeking to prevent the executions of Andrew Chan and Myuran Sukumaran.

Australian political style does not readily traverse borders. It is not a fungible commodity.

Second, still on values, the shadow of our historical attitudes on race – both on aspects of immigration policy and treatment of indigenous Australians – continues to hover over us.

Particularly when you have form, episodes such as the One Nation saga, the Indian Student Crisis or the fate of the Voice, reverberate abroad. The colonial experience of most of our neighbours has left some neuralgic on questions of race. Perhaps unfair – but there you are. We need to get our own house in better order – and keep it that way.

Third, I hope I have made the argument that soft power is one determinant of international outcomes.

However, soft power cannot be engendered by government fiat. And we cannot just tell the United States and other Western countries to lift their game and behave better.

The deterioration in political mores in the United States – and arguably elsewhere in the West – underlines that such Western soft power as still exists will not have the same

positive impact in the current Western competition with China and Russia as it did in competition with the Soviet Union in the Cold War. If Mr Trump makes it again, we will go into negative territory.

Fourth, and with the diminution of Western soft power as a given, if we put store in maintaining a global order even partly akin to the one that has prevailed over the past 80 years, we and others in the West must realise we are not cutting it with the Global South – or not enough.

It is in the Global South that competition for global influence will be most pronounced. It is hence in the Western interest that the West works towards resolution of the multinational issues that hound the Global South – debt, climate action, people movements and so on.

As a nation with more agency than we give ourselves credit for, we have a part to play in that global context.

For a start, an effort could be made to raise our Official Development Assistance to the OECD average of 0.32% of GNI from our current level of less than 0.2% of GNI.

Fifth, we must focus not just more on the Global South but on our own region within it – and not just on those who have worries akin to ours about China, but on those who might not.

Australia started late as a serious regional actor, arguably after the fall of Singapore.

My cohort in the foreign service reported to those who had been present at its creation.

Australia engaged the region in a spirit of enquiry and zest and a sense that our destiny lay there.

Through the Colombo Plan, we contributed to the development of our neighbours.

Our main universities were centres of excellence on the region. And here I must acknowledge Professor Low's role as head of what became the College of Asia & the Pacific and Vice Chancellor of this University.

And crucially we dismantled the White Australia policy – opening the door to the multicultural country of today.

But despite all this, our earlier sense that Australia's destiny is in the region has dissipated. We must redress this.

This is much more than a call for more development assistance or well-staffed embassies. It is about re-educating ourselves about the region. It is about all-of-nation heft.

Returning to the original premise of this speech, we will always have to deal with a neighbourhood comprising systems different to our own.

In my lifetime we have come a long way. But we have a way to go – in educating ourselves, in economic engagement and the patient and persistent work of diplomacy. We must keep our own house is in order. We must do better – a lot better.

John McCarthy is Vice Chancellor's Fellow at Melbourne University, a senior adviser to Asialink, and a former ambassador and high commissioner to the United States and numerous Asian countries.

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[1] For definition of interests also see Penny Wong, Australia's National Interests in a Time of Disruption, Speech to Lowy Institute Sydney, 6 July 2017.

[2] Because of the criteria used, developing countries seldom feature in the top 15 countries in these indices.

One can understand why, Indian scholar Dhruva Jaishankar stated: "Arguably few phrases are as misused in international politics as 'soft power'. ''