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**What Australians think about the EU:
Elite Perceptions and the Current Context**

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1. Australia and the EU: the context and the need for data.

Australia's relationship with the European Union (EU) has only recently been the subject of considerable academic analysis and there is less analysis of this relationship than that of Australia and the US or the Asia Pacific. In addition, the analysis of the Australian linkage from the EU side has been minimal. Past analyses have been either historical in nature or have concentrated on the links with the UK as an important interlocutor, for historical and Commonwealth reasons. The focus on policy has been almost exclusively on the Common Agricultural Policy (CAP). This has changed in recent years, not least due to the development of the relationship beyond the CAP and the lessening of tensions to an extent due to the completion of the Uruguay Round of GATT. In addition, there has been substantial agreement on common concerns and the signature of bilateral EU to Australia formal agreements on science and technology, wine and other areas. Tensions and misunderstandings have continued, however. Australian government and other agencies face the challenge of negotiating with the EU as an international actor. It has become commonplace to state that the EU is a powerful international organization – a dominant trading bloc in increasingly globally integrated market contexts.

Australian economic and political stakeholders, such as government agencies, business, services providers and investors increasingly connect to a regionally integrated trading bloc with global impact on economic and political governance and decisionmaking. No third countries, that is, non-EU nations, have been completely immune from the international influence of the EU. In the case of Australia, there is evidence of a need to take stock of this impact and assess the need to develop further strategies for negotiating and trading with the EU. There is a need to document and analyse the perceptions of Australian government and non-government actors dealing with the EU. To this end, a questionnaire designed to elicit these perspectives was designed and administered nationally in 2001-2. This was considered timely given that the last survey exploring perceptions of the EU was carried out in about 1990 (Austrade, 1990) and that focussed exclusively on the forthcoming Single Market. Surveys and analyses of investment links with individual member states have also been carried out since then, such as Swinburne (2001), but little research which reflects on the broader and changing relationship of Australia with the EU. The survey whose findings are presented in this paper, was carried out in 2001-2 and constitutes an attempt to redress the lack of data on elite perceptions to date. In addition, it should be noted that the most recent book on Australia and the European Community (EC) was published in 1976 (Miller, 1976). More recent accounts of EU-Australia relations (Benvenuti, 1998; 1998-99; 1999; Burnett, 1983; Davison, 1991; Higgott, 1991; Murray, 1997; Richardson, 1992) have pointed to the fact that, although there is much in common, the relationship is not accorded significant public debate. Some recent studies have examined the Australian emphasis on bilateral relationships with individual member states; the concentration on the CAP and the UK connection; the lack of adequate focus by the Australian government on opportunities in the EU; the challenges to Australia in coming to grips with the EU's complexity; the issue of Australia having "missed opportunities" and an incomplete knowledge of the EU, which has had negative outcomes for Australia (Elijah et al 2000, 2002; Groom, 1989; Murray, 1999, 2000a, 2000b, 2002a, 2002b, 2000c, 2000d; Papadakis, 2002).

Given the need for increased pertinent information and given the significant development in the relationship and the growth of the EU's international role, a new study was considered appropriate. This survey analysis forms part of a larger study of the EU, which the author is currently completing.

Questions raised in the 1976 study are actually still relevant, particularly regarding the perception of the Australian linkages with both the UK and Europe. Miller (1976, 97) refers to the case of Trade Minister McEwen encountering a situation in 1970 where no one in Brussels or London "wanted to know" about the Australian case regarding market access to the EC. In fact Australia was regarded as "remote, prosperous and irrelevant". Is this still the case? The survey addresses the fact that Australia does not feature much on the EU radar screen and it is evident that perceptions of remoteness still inform the linkages to an extent.

A further context for the survey and larger study is the fact that the EU is a shared governance zone (Bellamy and Warleigh, 2001) where there is a blurring of the distinction between the nation state and member state in many cases. The EU is both an economically-based entity and a political one. The distinction between nation state and member state is not clear even within the EU itself, as seen in the post-Maastricht and Nice debates and in countries such as Ireland, the UK, Denmark and France. This distinction is more blurred when the EU is viewed from a distance. The differences between member states may be clear when the Australian government negotiates with each member state. Yet, each nation state is also a member state and must be viewed from that vantage point – a comment made repeatedly in the replies to the open questions in the survey.

It is also relevant to further set the context of the survey in terms of the EU's actual international role. Jorgensen (2002, 229-230) makes the point that a key issue for the EU is whether it and the member states are capable "of transforming their combined economic clout into political power, enabling leadership". There can be a danger of conflating the EU to the level of a political entity that it clearly is not, and thus the assertion by Australian Foreign Minister Downer in December 2000 that the EU was punching below its weight in foreign policy must be seen in this context (Downer, 2000). It is clear that the very existence of the EU and its legitimacy are contested and problematic for many citizens of the EU, regardless of the Australians' attitude to it. The EU generates little loyalty and its legitimacy is under question and debate (Bellamy and Warleigh, 2001, 12). Nevertheless, its international actor status is impressive. This means that Australia is under pressure to negotiate within a type of New Bilateralism (NB), rather than traditional state-to-state bilateralism, which I call Old Bilateralism (OB).

The nature of the relationship is increasingly shaped by the development of an emerging "New Bilateralism" (NB). This NB is the characteristic of the developing relationship of Australia with the EU as a major diplomatic interlocutor. It encompasses the recognition and acknowledgement of the EU as a major international actor with whom Australia negotiates, while continuing to rely on the "Old

Bilateralism” (OB) of traditional trade, diplomatic, cultural and social links between Australia and member states. It is increasingly a moot point that relations with the countries of Europe are relations with the EU (Evans and Grant, 309). This is not to deny the merits of extensive and broad-ranging relations with individual countries (Evans and Grant, 300). It is simply a recognition of the fact that access to the markets of each member state of the EU is regulated increasingly by the EU, its Common Commercial Policy, Common External Tariff and the negative impact of farm subsidies and other market-distorting aspects of the CAP. In addition, this is recognized by the growing number of issues in the dialogue between Australia and the EU – beyond the tension-ridden topic of the CAP and Australia’s prominent role in the Cairns groups to agreements on science and technology, and market – relevant agreements such as the Wine Agreement and the Mutual Recognition Agreement (MRA).

So, while political bilateral relations may remain to a large extent state-to-state, the borders in economic terms are porous. Thus any relationship with a member state of the EU in a traditional realist state-to-state context must take into account the fact that the nation state with which one negotiates is a nation state with invisible borders in economic terms and even in judicial terms in many cases. This has important implications for Australia’s relations with the EU. It is important to point out that EU legislation passed is applicable to all member states (MSs) and so the Australia government can develop a policy on that issue which may involve negotiations with all MSs on the same basis – in that sense it is largely a EU level playing field. Further, although the EU is a single market for goods, and hence the same market conditions and tariffs apply in all EU states, the issue of market entry is important, as this must be considered in accordance with access to particular parts of the market. The Department of Foreign Affairs and Trade (DFAT) makes the point that the UK may not be the most appropriate point of entry to the EU if the Australian exports are largely destined for another MS (DFAT, 2001, 72).

Elements of the NB, which it is useful for Australia to note, include:

- International recognition
- Laws with direct effect on all those to whom it applies, normally all member states.
- Economic entity with SIM
- Monetary entity with EMU and the Euro
- Specific and supranational and merged competences policymaking and decisionmaking arrangements.

An awareness of these elements is evident in replies to the open questions of this Survey.

The multi-level, multi-process and multi-actor nature of the EU renders it a major challenge in dialogue. Elements of the EU which render it a complex, multilayered interlocutor for Australia and other states are the system of institutions and competences, the *sui generis* aspects and the hybrid nature of the supranational and intergovernmental forms of governance. Realist assumptions of state-to-state bargaining are not necessarily relevant. Increasingly, negotiators and businesses who

understand it better needed to understand the regulatory mechanisms which are a combination of different political and administrative traditions in Europe, which consists of common policies, regulatory practices and harmonised mechanisms. The changing nature and context of policy-making of the EU, therefore, have a deep impact on the EU-Australia relationship.



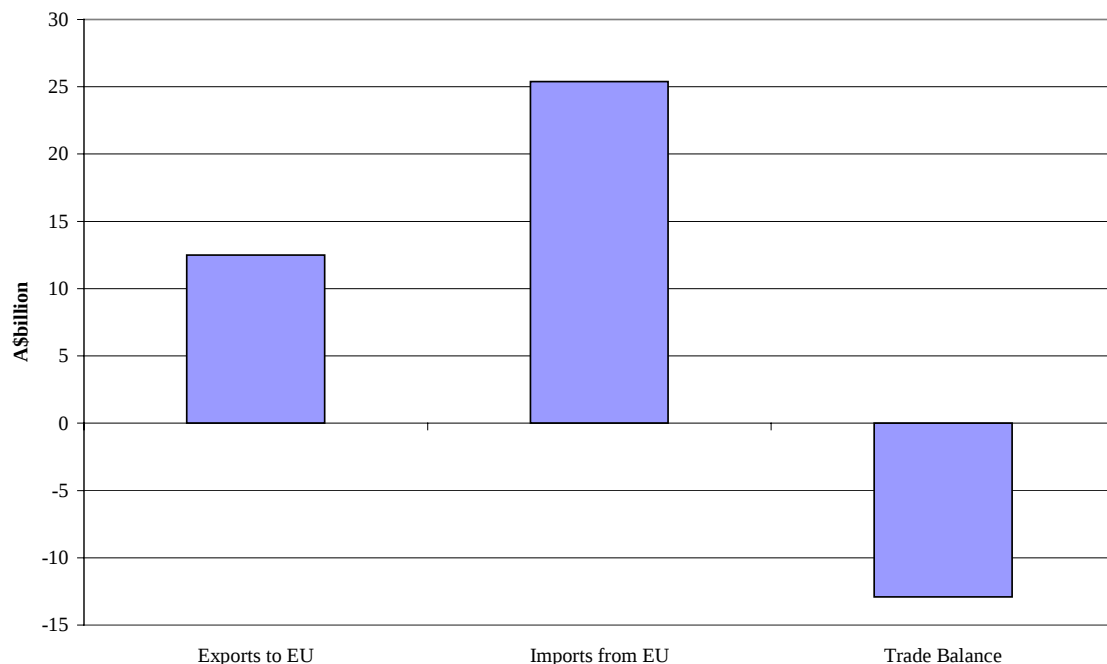
Sources: DFAT (1998), *Direction of Trade Time Series 1977-1997*, Canberra, DFAT
DFAT (2000b), *Direction of Trade Time Series 1979-1999*, Canberra, DFAT

The contemporary context of the Australia–EU relationship is, and will remain, unbalanced and assymetrical. The trade imbalance is evidence of this, as seen in Figures 1 and 2, with a substantial Australian trade deficit.

It is clear that the EU is more important to Australia and Australian business than Australia is to the EU. The Australian relationship with the EU in the past has been dominated by the link with the UK and by the prominence given to a single EU

Policy - the CAP. This has resulted, in the past, in a negative approach to diplomatic negotiations and

Australian merchandise trade with the EU, 2000



to trading with the rest of the EU. There are signs that this is changing. While trade with the UK is still important for Australia, there is a renewed push into continental markets and Ireland too. It can be argued that, in Australia's relationship with the EU to date, its emphasis on the UK has masked the relationship with the integrated EU and its single market and single currency, the Euro. The multifaceted and security relationship with the US has meant that security cooperation with the EU has not been fully explored to date – although the EU and Australia increasingly recognise the importance of mutual information sharing and consultation on what European Commissioner Patten has referred to as their respective 'arcs of instability' (Patten, 2001). This denotes a move away from an emphasis on the bilateral state-to-state relationship, which has potentially undermined the relationship with the EU, and a move away from traditional interstate diplomatic relations to increased awareness of geopolitical regional contexts, for example possibly in the ASEAN Regional Forum.

The relationship of Australia with the EU necessitates a change of focus from state-to-state relations to regional bilateralism and multilateralism. This paper suggests that the survey carried out is part of a need for a full evaluation of Australia and the European Union (EU) "Ascendancy". It argues that there is evidence of increased interest in, and attention to, the substantial opportunities available to Australia – in trade, investment, government and community links, in a new Australian relationship with Europe. It is thus imperative that Australia move from an old relationship based on individual linkages with the EU states (OB), to a new form of bilateral relations with the European Union and its

institutions, which would also encompass those states (NB). The New Bilateralism encompasses bilateral and multilateral negotiations in its advancement of state interests in the world marketplace and in international governance. It engages in trade and politics, combining on the one hand, tradition, history and heritage and, on the other, new forms of dialogue and new norms of governance. Australia in this NB context ought to move decisively from a tradition influenced by British history to recognition of its advantages with a full understanding of a European future.

2. The Survey and methodology

A survey was developed to investigate elite perceptions of the relationship of Australia with the EU. This is the first survey on this issue in Australia that targeted a wide range of analysts and top decisionmakers and stakeholders. Input, advice and distribution assistance were received from a number of groups, including DFAT, Austrade, the Europe-Australia Business Council, Australian Business in Europe (ABIE) and the Delegation of the European Commission, as well as academic colleagues. The survey was tested on a number of test respondents in the pilot stage. The list of recipients was drawn up from a smaller survey carried out by the author in 1998-9; companies profiled in the DFAT 2001 publication *ExportEU*; all contactable Australian members of the European Commission's EU Visitors Program, members of parliamentary delegations to the EU; officials in government departments; government ministers; banks; insurance companies; all major exporters; alcohol exporters; mining companies; meat and cattle exporters; members of the Global Foundation; law firms dealing with Europe; members of ABIE; Austrade, DFAT; Department of Education, Science and TechnologyEST; Australian Bureau of Agricultural Resource Economics; Chambers of Commerce; consultancy firms; the media; academics involved in research on Australian trade, investment, economics, politics and law and European studies and some members of the Contemporary European Studies Associations of Australia. 650 surveys were sent out for written response and 133 received, which is a response rate of 21%. The survey method adopted involved written replies to a standard questionnaire. The data were entered into a Statistical Packages for the Social Sciences (SPSS) file and analysed using descriptive statistical techniques.

The respondent group consisted of 133 respondents. These could be broken out into eight broad groups - academic; business; trade/investment promotion; government advisor; parliamentary delegation; diplomat; media and other. These are set out in Figure 3. They were then aggregated into three or four groupings, as appropriate, in order to distinguish differences and variations across responses to different items.

The survey began by addressing general questions in order to identify respondents by type and according to their professional and personal links with countries of the EU. The next set of questions addressed assessment of the importance, state and significance of the overall, trading, investment and agricultural trading links between Australia and the EU. The next set of questions dealt with specific Australia-EU new bilateral agreements: the Mutual Recognition Agreement; Science and Technology; Wine; nuclear material; and the Joint Declaration. The next block of questions addressed the

implications of EU initiatives for Australia, such as the Euro and the closer cooperation among the member states of the EU.

A further question dealt with assessments of the Single Market. The respondents were then asked to consider whether it was necessary to promote closer links between Australia and the EU and in which areas they might support closer cooperation. There was provision for open questions, including the final one, which asked: "In your opinion, what issues should be kept in mind when formulating Australian policy towards the EU?"

In addition, some questions were addressed solely to those who do business with the EU. Business respondents dealt with specific questions regarding level of satisfaction with the business relationship between the company and countries of the EU; the importance of the Euro for the organisation; business aspects of the Single Mmarket, relating to trading and investing; factors relating to ability to do business in Europe; soliciting of information on the EU; adequacy of information on trade and investment opportunities and access to further information for companies. In addition there were questions relating to appropriate sources of information for business operations in Australia and Europe. A further question asked in which areas the respondents envisaged the possibility of increased Australian involvement in EU markets. The final business-oriented question dealt with joint ventures.

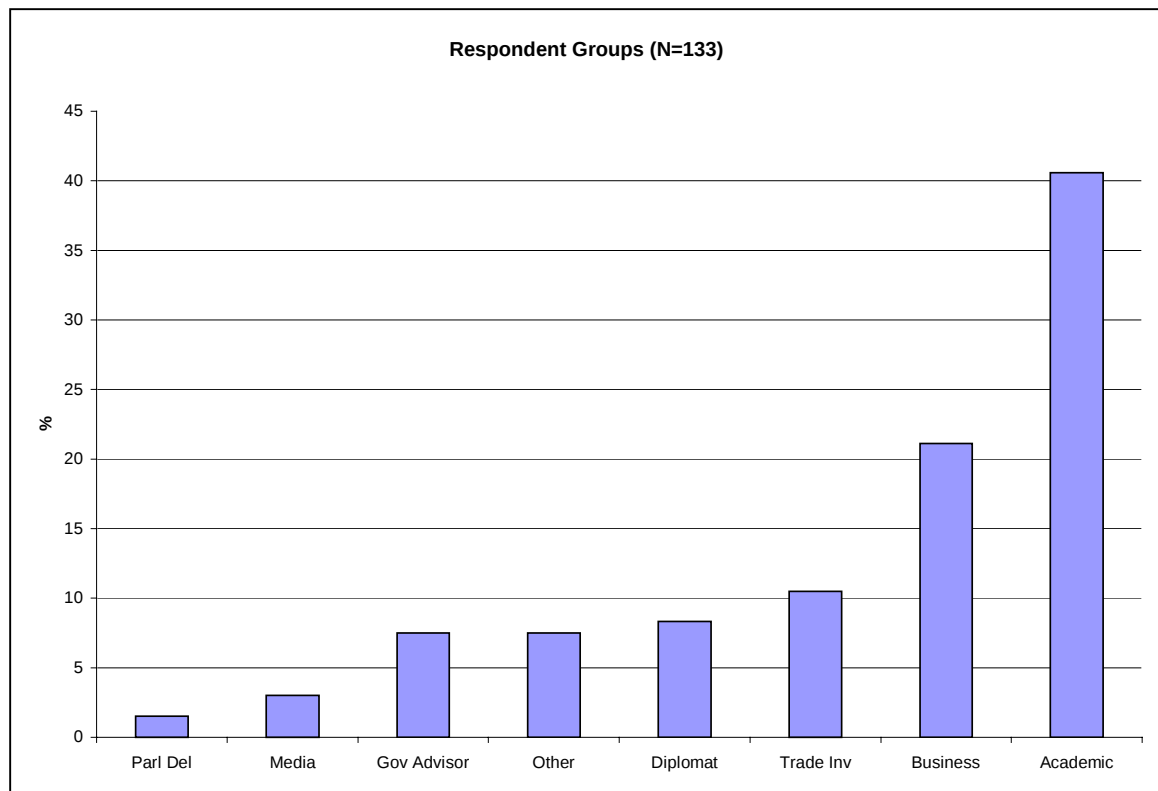


Figure 3

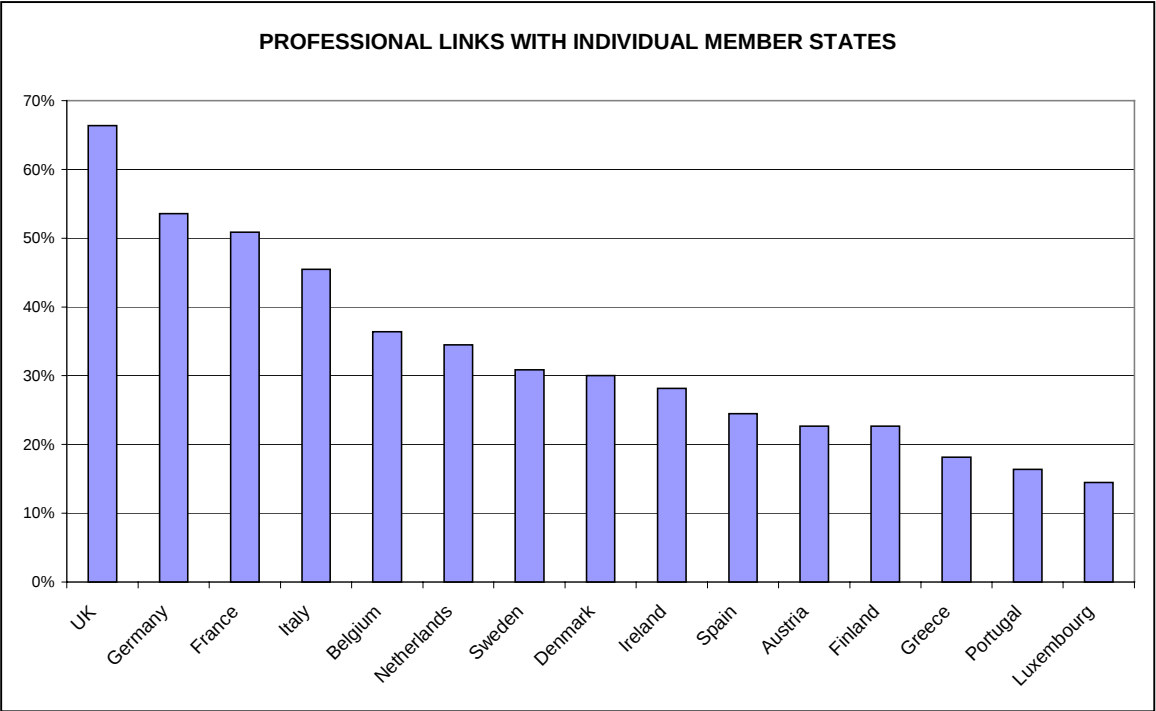
Typically for a mail survey, the size of the respondent group is relatively small. Some recipients replied that they did not have enough knowledge to reply.

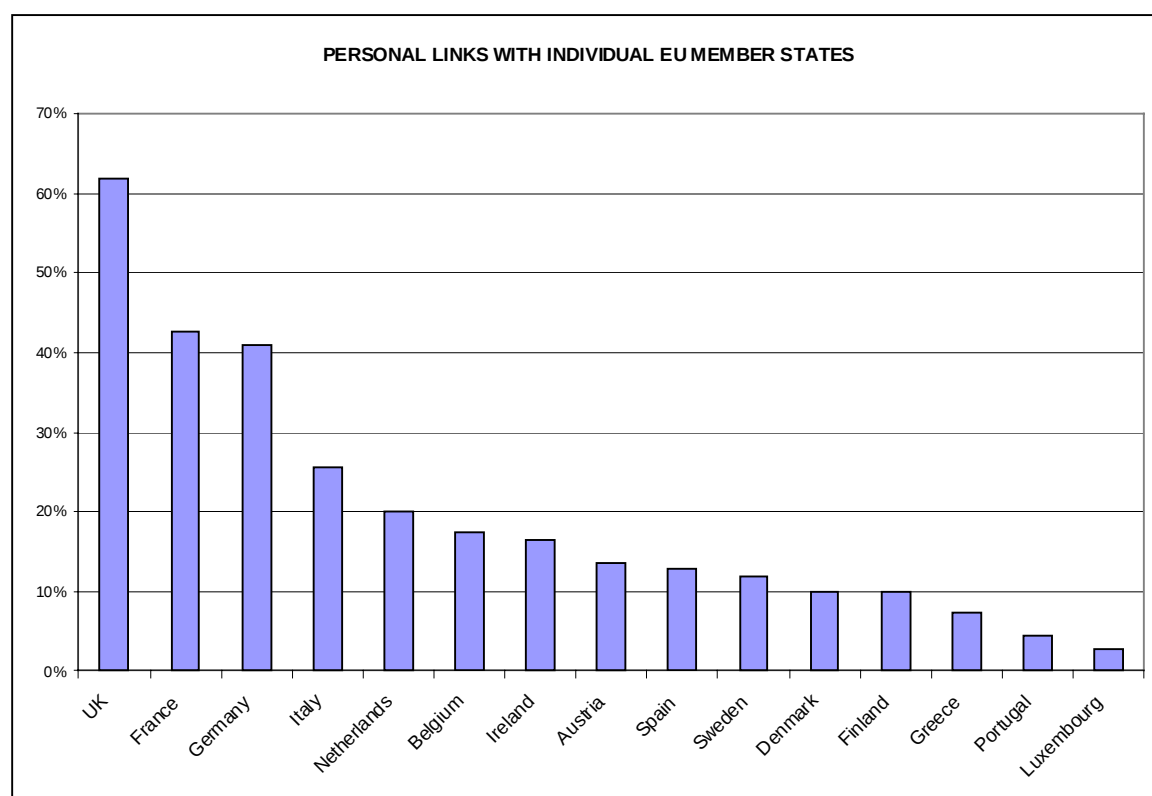
Those who chose to fill in the survey were generally well-informed on aspects of EU-Australia relations or had a knowledge across the levels and questions. Most expressed an interest in receiving information on the results of the survey. The survey was the first of its kind and so some of the questions were quite general in nature. Those on trade were based in part on discussions with Austrade and others in trade roles. It may well be necessary to have a further and larger-scale survey with more specific questions for two reasons: Firstly, the relationship has advanced to new areas, eg immigration and dialogue on the Political Declaration and its achievements to date. Secondly, the open question replies indicate a number of concerns that could be pursued in more detail in the future and possibly complemented by focus groups interviews.

Respondents' professional and business links with EU member states are set out in the following Figures, 4 and 5. Unsurprisingly, there is more contact with the UK than with any other member state, followed by Germany, France and Italy. The personal relationships or links are also set out below, and here too the UK is the main point of contact, followed by France, Germany and Italy.

Figure 4

Figure 5





3. Findings

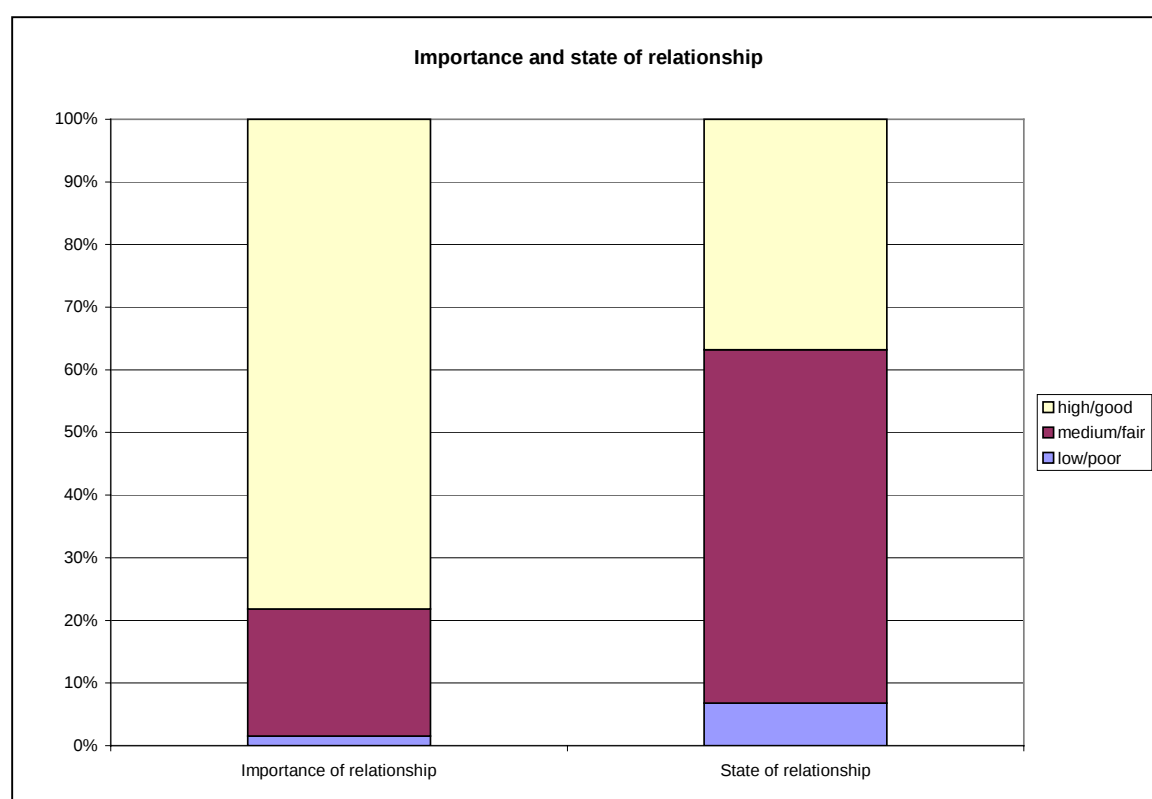
The major findings were:

1. There were differences among different types of respondents (eg. Government and academics, traders and businesses) on assessment of the state and importance of the relationship between Australia and the EU.
2. There was considerable evidence of sophisticated knowledge of EU, especially regarding the Euro and certain agreements and aspects of the Single Market.
3. There was increased awareness and good general knowledge of the various agreements compared to the smaller study carried out in 1998-9.
4. There were many instances of criticisms of past and current Australian government policy, focussed on criticisms of the emphasis on engagement with Asia, on the relationship with the UK, and on the focus on the CAP.
5. There was considerable criticism of the EU, focussed on CAP protectionism and market access and a perception of the EU as being internally-focussed.
6. While most respondents see the relationship as important, they are not all satisfied with it and this satisfaction level varies by respondent group.

7. There is some disparity between personal relationship and professional relationship and actual two-way trade figures with the member states.

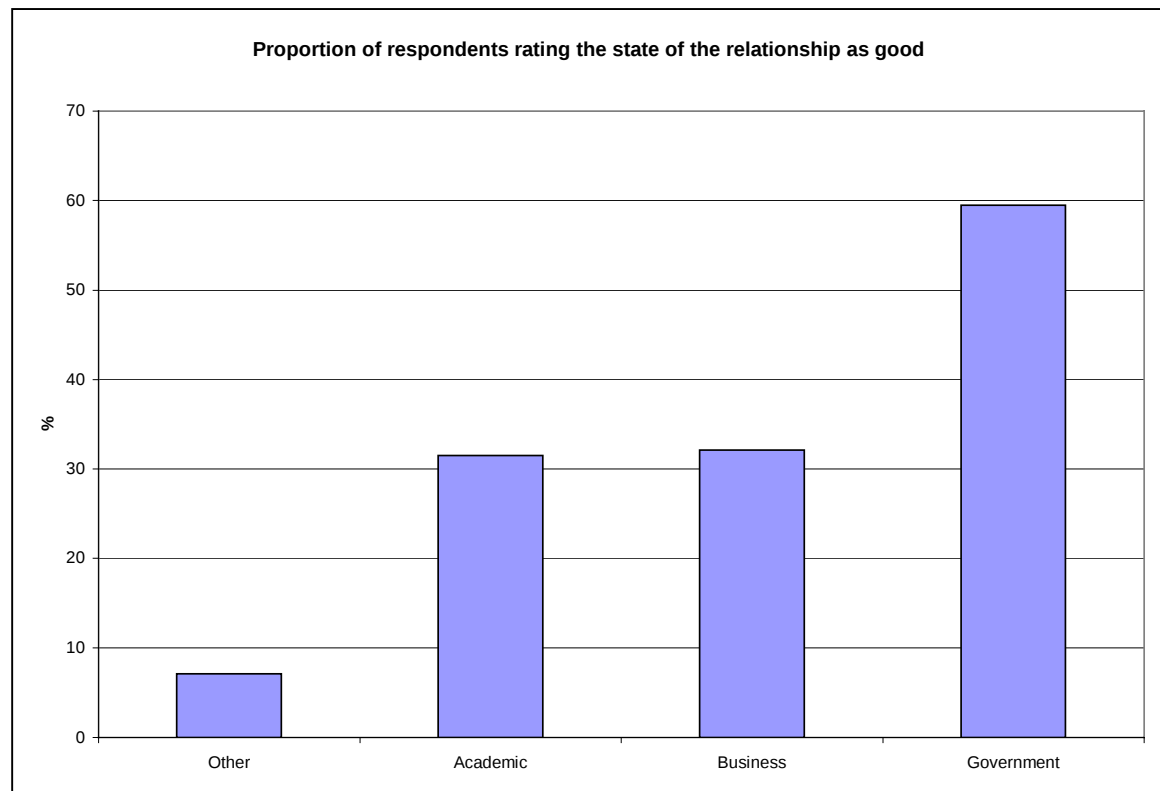
8. There was considerable agreement on the need to develop the relationship in other dimensions, beyond the CAP. This has also been reflected in the Ministerial consultations since the political Declaration of 1997 and the end of the GATT Uruguay Round, which removed much of the tension regarding agriculture.

Figure 6: Importance and state of the Australia-EU relationship:



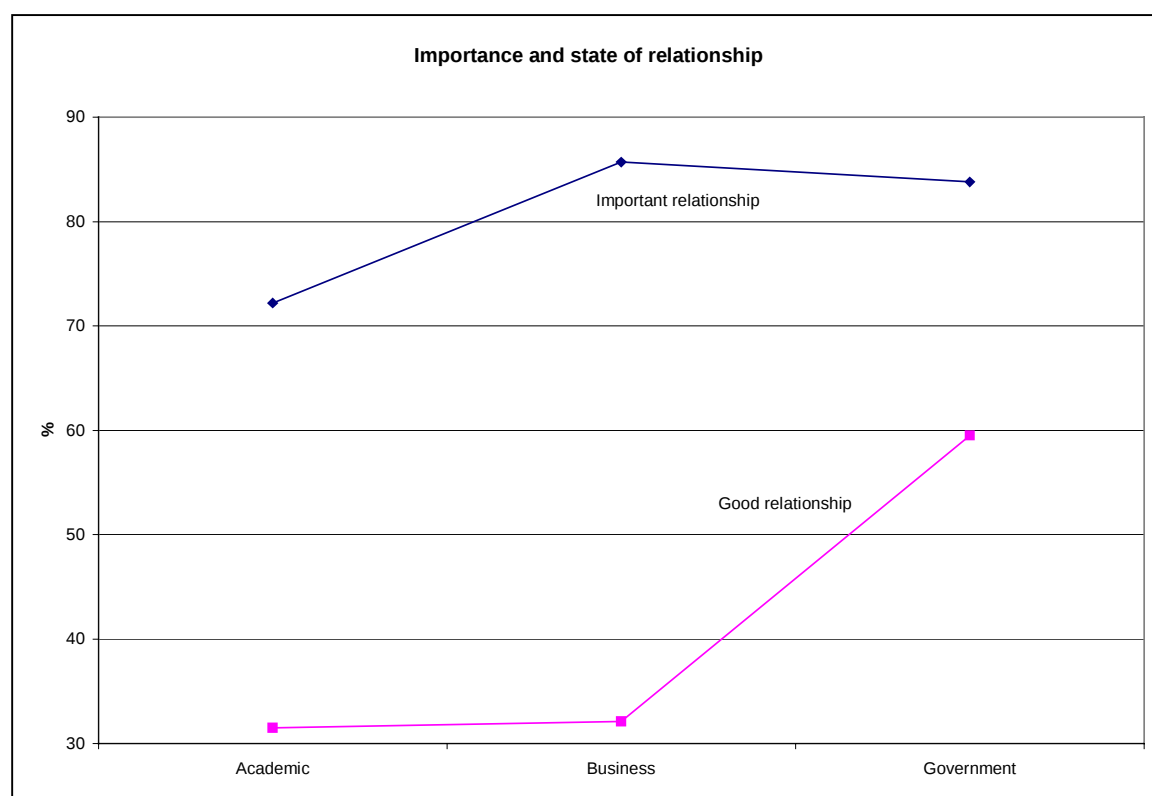
The survey asked for an assessment of the state of the relationship and the importance of the relationship. It is evident from Figure 6 that there is a considerable divergence between assessments of the relationship as important and those who consider the relationship to be in good shape. While 78% considered the relationship to be important, only 37% considered the state of the relationship to be good. 7% saw the state of the relationship as poor and 56% as fair. This assessment of the relationship as important is not reflected in the assessment of the current state of the relationship which has less positive feedback from respondents. 78% saw the relationship as of high importance, 20% as of medium importance and 2% as of low importance.

Figure 7



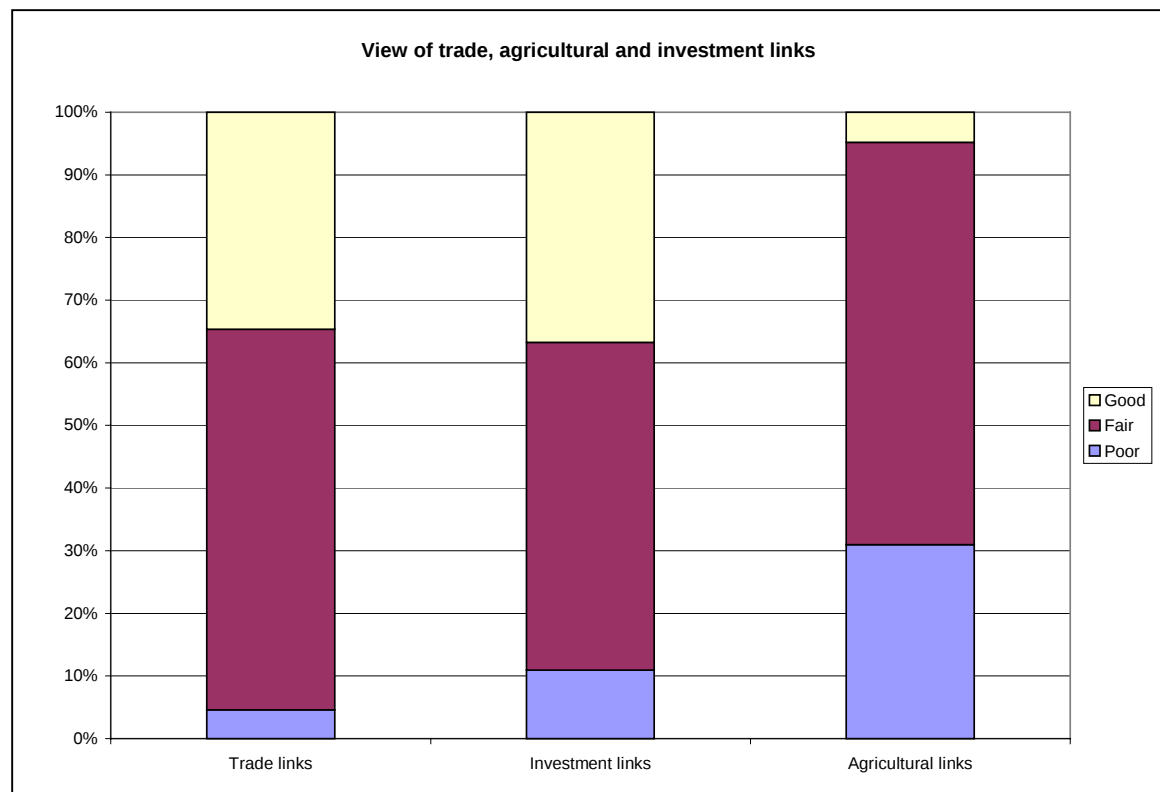
While all respondents see the relationship as **important**, business and government respondents are the two groups most likely to see it as important. Academics accord less importance to this relationship than do these actors. However, when asked to assess the **state** of the relationship, all groups are considerably less positive than they are about its importance. Interestingly, the gap between their view of its importance and their view of its state is largest among business respondents and smallest among government respondents. In fact the gap between perception of its importance and perception of its state is over 50% for business respondents, but only just over 20% for government respondents. There is a 20% disparity between business assessment of the relationship as being in a good state and government respondents who assess it as good. Figure 8, below, illustrates this disparity.

Figure 8



The following chart, Figure 9, illustrates the assessment of the agricultural trade links; investment links and overall trade links between Australia and the EU. Not surprisingly, the agricultural trading relationship is rated as less positive than the trading and investment links. 39% assess it as poor and 64% as fair and only 4.8% as good. In Australian government speeches, too, there is a distinct change in orientation of policy, evidence of changing views and while the CAP is still central, traditional views are increasingly counterbalanced by understanding of the EU and trade and investment in a broader context.

Figure 9



Survey respondents were asked if they considered that it was necessary to promote closer links between Australia and the EU. They were asked in which areas they would support the establishment of closer links and provided a list of areas, to which multiple replies were allowed. The following chart, Figure 10, gives the replies on future cooperation, with trade, business and research and development featuring most often in preferences. Many of the other areas covered have in fact been evident in recent cooperation among the Commission and Australian government and featured in recent ministerial consultations between the two interlocutors.¹

¹ Market access, consumer agreement, veterinary agreement, Science and technology, wine, consumer agreements, mutual recognition, education, immigration and justice and home affairs issues and broad policy issues have featured on the agendas of ministerial consultations.

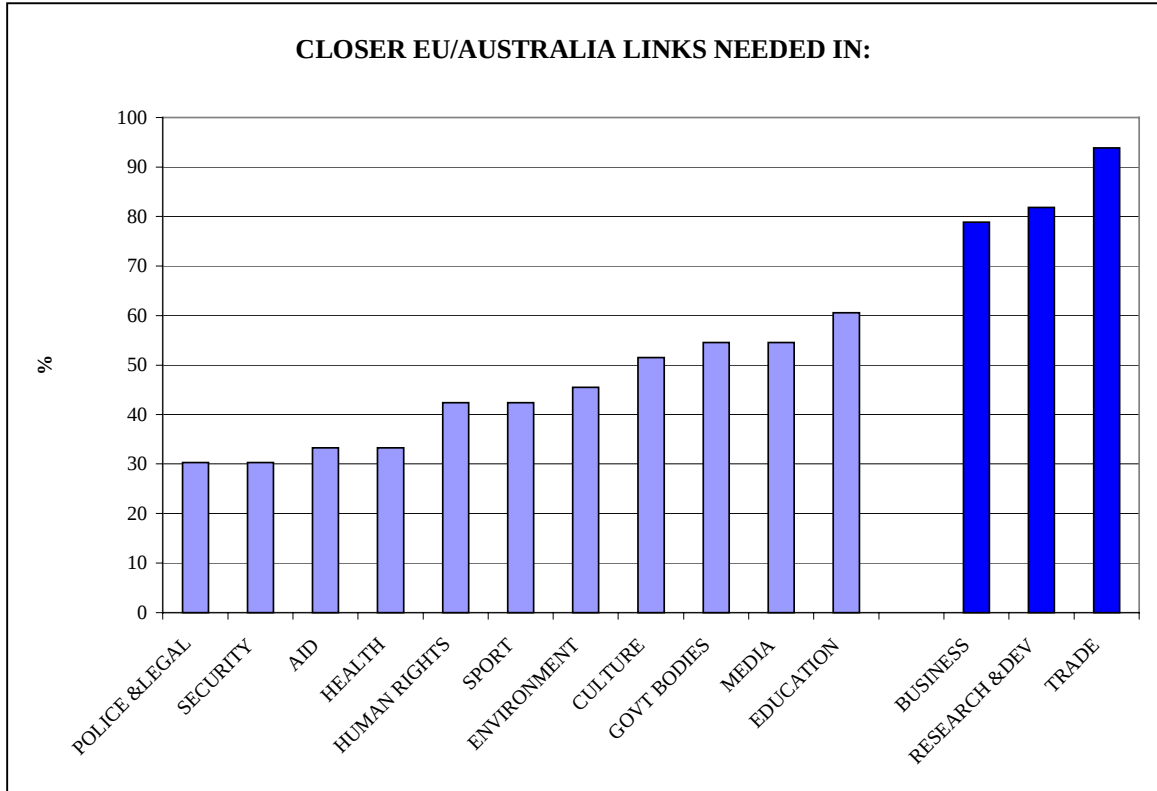


Figure 10

Australian Assessments of the Euro:

In reply to the question “What are the implications of the single currency (euro) for Australia?”, distinct themes emerged. These include the facilitation of trade and travel and tourism; certainty in dealings (exchange rate flexibility) and pricings; less financial consideration of rates impact; fewer insurance issues (against fluctuations); simpler currency transactions; reduced transaction costs; a more transparent marketplace; and improved treasury management by not dealing in multiple currencies. It was also stated that the existence of the Euro “heightened emphasis on the EU as an entity” – an explicit understanding of NB. The issue of adaptation to the Euro was the subject of a study in 1998 which dealt in particular to business adaptation (DFAT, 1998). The survey replies indicate an assessment by some respondents that the Euro provides Australia with an opportunity to improve and analyses trade with the EU. Some respondents suggested that it was an opportunity for Australia to seek changes in its relations with the UK as its major market. It was suggested that the Euro renders the Single Market more effective and provides Australia with more, and more effective trade and investment opportunities. Only 6 respondents were uncertain of the impact of the Euro.

Open Questions replies and General Assessments:

The survey reveals that there is significant understanding of the EU and its context by most respondents. The survey indicates that the broader EU-Australia relationship is still distinguished by a lack of political will in Australian government to recognise the value of the relationship, EU integration processes, its external relations agenda and of the importance of formalised linkages with the institutions of the EU.

Some suggested that there is inadequate knowledge of the EU and lack of understanding of the EU. This is seen as understandable in part due to:

- The complexity of the EU
- The lack of adequate education about the EU
- The lack of engagement about the EU in Australia
- The lack of EU engagement with Australia as the EU is seen as internally focussed – this is seen as increasing as regional integration increases and with the introduction of the Euro.

The survey shows that respondents tend to have an understanding of the specific nature and context of the EU in a context that can be summarised as a new bilateralism (NB). Evidence of the NB is presented in the assessment of a new type of relationship as characterised by respondents as follows:

- New and extra diplomatic representation in Brussels

- Change in the relationship with the UK
- The development of a new type of relationship with the European Commission by Australian negotiators at bureaucratic and political levels
- The exertion of EU influence through its treaties and agreements
- The necessity for change in Australian traditional trade strategy
- The perception of the EU as a united voice and harmonization of policies (which can have a negative or positive impact for Australia).
- There is a sense that NB undermines the Australian relationship with the nation states of the EU in OB.
- Tariff and non-tariff barriers to agricultural exports
- Difficulties in Australia's management of the relationship with the EU as a whole
- The creation of a new tension regarding the CAP.

Perceptions of the traditional interstate relationship or OB are also expressed as follows:

- The fear of a loss of trade with individual member states
- The fear of the loss or undermining of the relationship and "natural" market with the UK and, to a lesser extent, with other member states.
- The attempts to carry out Free trade Agreement (FTA) negotiations with individual countries of the world
- A perception of a tension between Intergovernmentalism and Supranationalism as expressed in the desire to maintaining the OB link with UK while creating an NB one with the EU as a whole
- A perception that the UK understands Australia best of all the EU member states and Australia still deals best with the UK.
- Individual member states are still the primary focus.

The CAP focus:

There is considerable agreement among survey respondents that the CAP focus and concentration is not profitable for Australia policy. The CAP is criticised however, as unfair and inequitable.

The UK focus:

There is little agreement regarding the role of the UK. Some respondents were of the opinion that the EU has undermined the relationship with the UK and some referred explicitly to a perception that the

UK understands Australia best of all the EU member states, while others see the UK as the primary or sole focus of the Australian government and should be dispersed. There is a perception that the UK is not helping Australia in its negotiations with the EU - an element of the "British betrayal" debate. Others suggest that Australia could learn from the UK experiences and linkage and build on it with other member states. The Euro is seen as leading to changes of focus on the UK to the other member states. One response daits that the Euro "poses the question whether Australia still sees the UK as its main market"

Policy Formulation for the Future Relationship

In reply to the question regarding issues to be kept in mind when formulating policy, there is a wide range of issues discussed in a multifactorial context:

- Use of Australian multicultural/ethnic communities to help promote Australia goods in the EU. It should be noted that this has been a theme of past speeches of government ministers and others , such as Blewett (1990). Little evidence of concrete examples of this approach are to hand.
- The fact that the EU does not see Australia as important. Australia is not on the EU radar screen
- The need for increased Australian awareness of EU and European awareness of Australia too.
- The desire for increased and deeper cooperation across a range of levels and activities between Australia and the EU:

- at government, political, parliamentary and official levels,
- trade and investment, diversification of traditional trade links
- the other 2 pillars of the EU: CFSP and JHA: common old and new security concerns, e.g. regional security and dialogue on immigration.
- Educational social aid, cultural, environmental concerns.
- A sense of tension between OB and NB, between Brussels and other national member state capitals

In addition, it is worth enumerating the aspects of a perception of the EU as a Fortress Europe. It is expressed as follows:

- a. The EU is internally focussed and Eurocentric
- b. Problems of market access are frustrating for Australia
- c. Problems of CAP access and world market distortions
- d. The EU's complexity could perhaps come in under this heading as the EU complex policymaking environment is seen as opaque, hard to understand, and even alienating, and hence the interest in trading with the UK, which is the most familiar of the member states for Australia. The EU is more multiculturally diverse than the UK and more difficult to understand than individual member states. In addition, there is a lack of understanding of EU regulations and legislation.
- e. There is a perception that member states are less interested in OB with third countries like Australia as they do so much trading and negotiations with each other. This is complemented by a considerable

amount of political alignment, common voting positions in the UN, common or united positions and stances at the WTO, especially through the Commission. There is a need to understand, therefore, how the EU caucuses and negotiates in multilateral for a.

-f. Non tariff barriers to trade (see ExportEU, DFAT, 1996))

-g. A sense of being shut out and far away – that distance and remoteness render the EU hard to understand, as it appears to be distinctly different and too complex. This perceptions or view is important if only because it exists and appears on anecdotal evidence to be widespread and is seen also in Miller's comments in his early study on this issue (1976).

Suggestions for issues to be kept in mind in formulating policy include:

- The need to be explicitly market oriented regarding the EU as a whole
- A concern for political issues
- The need for increased cultural awareness and knowledge
- A diversification of focus on many geographical areas, such as the US, UK, EU, Asia
- Adaptation of Government structures to EU issues
- The need for improved EU-Australian mutual understanding
- Improvement of Education: the provision of more courses on Europe; the need for more student exchanges, knowledge and information; increased emphasis on the teaching of European languages; the necessity for a MRA for student accreditation.
- The need to both move away from, and build on, the UK focus
- The need for a recognition of the EU as one single entity, market and regional and global player.
- The requirement of understanding of the EU's competences, institutional complexity and foreign policy action.

Finally, it is worth quoting some of the replies to this question regarding what should be kept in mind in framing Australian policy towards the EU:

"In formulating its policies towards the EU, Australia should understand that the EU is an emerging polity and that existing bilateral relations with individual member states need to be supplemented by effective engagement with the EU as a regional and global entity".

"The EU is a large, powerful, sophisticated entity. Australia must keep trying to increase market access but must be subtle and understand the political difficulties"

"Our failure to sign the Framework Agreement was a grievous error which should be remedied ASAP."

"Viewed objectively, Australia's heavy dependence on the UK trade and investment connection is grotesque; in size, Germany, France and Italy are all comparable markets with the UK, yet we have made relatively poor inroads there."

"Australia and the EU have much to learn from each other in many areas of governance, public policy, business and civil society. Australians have limited knowledge and

understanding of the nature and extent of European integration, except for a well-informed small minority”

“The EU is not just the UK”

“We’re a part-Asian society with European values but the EU doesn’t need us. Ought to decide if we’re part of an Anglo bloc still or want to be a security and business partner of Europe as a priority.”

“Australia must be promoted as MORE than just a gateway to Asia.”

“We need to be more enthusiastic in making it clear to Europeans that we want to do business.”

“Maintaining and enhancing the individual bilateral relationships alongside strengthened connections with EU institutions.”

“Shift/ transfer of competencies to EU level. The institutional complexity of the EU – multilevel and diverse, opportunities for policy input/ influence. Understanding of its position(s) in international trade arena including the complex breakdown of competencies in goods/services and investment. Recognition of evolving role of EU – and its increasing importance as a foreign policy actor”

4. Conclusions

This survey suggests that the relationship is seen in terms that reflect an increasingly pan-EU rather than UK focus – i.e. a new bilateralism. In addition, there is a perception of a need for a more multidimensional rather than single policy focus, in the CAP. Overall there is view that the CAP continues to colour the relationship, according to some respondents. This could be used positively as eg DFAT could lobby some member states opposed to the CAP, such as the Netherlands and Sweden.

Overall, there is also a certain pragmatism evident in many of the replies, for example eg regarding dealing with the UK as well as the EU, with Asia, US and EU and maintaining OB while adapting to NB. There were references to the importance of using all markets and not just the UK and familiar ones. Just as the EU is based on, and the result of, pragmatism of the member states, so too the Australian approach to the EU could be pragmatic. Australian foreign policy is increasingly neo-liberal and realist on the one hand and pragmatic and “realistic” on the other. The EU is pragmatic in its use of “guinea pig” agreements on Science and Technology and Mutual Recognition with Australia. This mutual pragmatism could be very useful in the relationship - keep it pragmatic and recognise the value of the relationship - and its limitations - from all sides. The combination of OB and NB would be an example of that pragmatism by Australian policymakers.

Australian political and economic stakeholders increasingly interact with the EU as a regionally integrated trading bloc – one with international influence on the international political economy and political decision-making. As Australia attempts to deal with this powerful regional trading entity, developing negotiating strategies, its relationships with the EU member states have also been transformed, to a degree.

Future research issues to be addressed in future will include questions regarding:

- To what extent is this elite opinion reflective of the position of the current government and of public opinion?
- What support is there in public opinion for Australian govt goals regarding the EU?

The NB means that dealing with the Eurozone facilitates Australian trade; business and currency transactions; cost transparency; forward planning and price comparison. The NB means that Australia has a new level of diplomatic representation, and intensification of contacts, at the EU/Brussels level, in particular with the European Commission, which is potentially as open to Australia's lobbying and influence as it is to that of member states. It has required diplomatic, administrative and governmental adaptation to the EU. It has necessitated an adjustment to trade policy and perspectives and to trade harmonization mechanisms. It entails the signature of agreements and potentially treaties with the EU, and not just member states, on a range of issues. It provides Australia access to new markets and the possibility to develop trade with all of the EU and the applicant states. It provides access to a market of 380 million people, with right of establishment for Australian companies; access to most parts of the market; coordination and cooperation on research and development and in educational establishments; mutual recognition of standards for exports and the opportunity for dialogue on issues ranging from foreign policy to trade to immigration and security. In short the NB is an opportunity for a multilevel approach to international relations.

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