

Capturing the Year 2007

Writings from the ANU College of Asia and the Pacific

Edited by Barbara Nelson with Robin Jeffrey



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Introduction

This is our second endeavour to ‘capture the year’—to compile a selection of popular writing by members of the ANU College of Asia and the Pacific. *Capturing the Year 2006* got a heartening welcome from diplomats, public servants, journalists, academics and people who work in the Asia–Pacific region. They found the short, authoritative pieces useful and digestible, and they particularly liked the focus on important issues for Australia and its neighbours.

One of our reasons for publishing *Capturing* is to ensure that such writing has a longer life than today’s newspaper or this month’s magazine. To a certain extent, the web has changed things: newspaper writing is available longer and more readily than before. But there is no substitute for a book that slips into a pocket for a journey and serendipitously brings together authors, topics and views that one would not have assembled for oneself.

Another reason for *Capturing* is to show off the talents of the ANU College of Asia and the Pacific, where we have an outstanding and diverse assembly of scholars of the region and of Australia’s relations with it. The college, we believe, has depth as well as diversity: only 14 of the 38 authors in this year’s volume were represented last year. The opening essays underline that diversity. Ross Garnaut, one of Australia’s best known economists, writes memoirs of two doyens of ANU and of Australian economics—Sir John Crawford and Heinz Arndt. Sir John’s name is commemorated in the Crawford School of Economics and Government, one of the college’s core units. Arndt was responsible in large measure for our deep commitment to

the study of Indonesia. Both men moved at the highest levels of education, economics and government.

The research of the college extends from banks and boardrooms to brothels and back alleys. Shakira Hussein's essay, 'Pakistan: the night business', illustrates the contrast with its finely drawn portrait of Kiran, a prostitute in Lahore. There is other powerful 'life writing' in this year's *Capturing*. In reflecting on Fiji after the coup of December 2006, Brij Lal describes a visit to his home and family and examines the consequences of unstable, authoritarian governments for his relatives and for the quiet corner of the world in which he grew up. And William Maley tellingly recalls the story of George Archer-Shee, inspiration for the Terence Rattigan play, *The Winslow Boy*, to highlight the injustice done to Dr Mohammed Haneef, detained on charges of association with terrorists but later grudgingly released.

Like Maley's, most of the essays in *Capturing* hang on current events. But when Hilary Charlesworth, Paul Dibb, Stuart Harris, Hugh White or Clive Williams (to choose five regular contributors) write on contemporary law, security or defence, they draw on lifetimes of research and scholarship.

From the perch of current events, we get a perspective to take a snapshot of the year¹—albeit an arbitrary one. It was a year in which Japan unexpectedly changed prime ministers, East Timor held elections, Australia and South Korea geared up for elections, an APEC meeting was held in Australia along with the visit of the Chinese president, wars in Iraq and Afghanistan festered and India became 'the new China', at least in the eyes of many business journalists and authors of airport paperbacks. 'Climate change' and 'global warming' passed into the daily vocabulary of television news bulletins and newspaper headlines.

These great environmental challenges recognize no boundaries, and Australia must confront them in partnership with its neighbours. How does a sparsely populated, English-speaking place work effectively with those neighbours, whose languages and cultures are notably different, yet whose links with Australia (not least in trade) grow every year? ANU has been committed to intellectual exchange with Asia and the Pacific for more than 50 years. In that time, it has helped to equip both Australia and its neighbours with knowledge, skills and personal connections that promote genuine understanding and effective relationships. As interactions multiply and intensify—everything from Victorian veterinarians visiting India to

Sydney bankers bobbing up regularly in Beijing—the capacity to talk to, feel at ease with and understand the cultures of the region needs to grow. Tim Hassall neatly makes a point about cultural foot-in-mouth disease in ‘Thanks in Indonesia? No thanks!’ Quite simply, Australia needs to invest more in language-learning and genuine student exchange (see ‘Ignorance as a second language’) if it is to hold its own in a dynamic neighbourhood in which it is dwarfed by giants like China, India, Indonesia and Japan.

Readers may puzzle at the balance among the essays in this year’s *Capturing*. Why, for example, are there more items on Korea than Indonesia? The answer probably relates to the nature of news: dangerous news gets more attention than happier tales. The essays on Indonesia by James Fox, Ben Hillman and Peter McCawley are relatively hopeful accounts of a country overcoming problems and positioning itself for better times. The Korean peninsula, on the other hand, excites interest as a global crisis point and for the bitter legacies of 60 years of war and cold war.

Capturing touches on other big issues of the year: energy shortage, uranium and climate change; relations between Japan, Australia and the USA; the growth of China and India; and the role of Islam in Australian and world politics.

Popular writing is, of course, only one facet of the work of the ANU College of Asia and the Pacific. It is home to more than 200 scholars of the region, ranging from archaeologists, linguists and historians to economists, political scientists and security specialists. It teaches Hindi, Indonesian, Japanese, Korean, Mandarin, Thai and Vietnamese to degree level and enrolls more than 500 undergraduates and 700 postgraduates. For more than 50 years, it has built deep, personal ties with people of the region and helped them to discover an Australia that wanted to know them, work with them and learn from them.

We hope that the work selected here gives an idea of the richness of the ideas and interests that the college seeks to share with Australians and their neighbours.

Robin Jeffrey and Barbara Nelson

Note

- 1 We take a liberal view of ‘the year’: it runs from the last quarter of 2006 to the third quarter of 2007.



People

2007

A BIOGRAPHICAL DICTIONARY OF AUSTRALIAN AND
NEW ZEALAND ECONOMISTS

ROSS GARNAUT

Professor Sir John Crawford (1910–84)

Professor Sir John Crawford ('Sir John') is the best remembered Australian economist in the international community. He left an incomparable legacy in Australian institutions for economic policy analysis and economics education and in international institutions for economic development. His work is distinguished for an approach to the application of economics to policy and for the institutions that have grown out of his efforts and that approach.

Indian Prime Minister Manmohan Singh said to me in New Delhi in October 2006, 'When I meet an Australian, I remember John Crawford, who did such wonderful things for our agriculture.' When heads of government of the United States, China, Russia, Indonesia, Japan and other Asia Pacific economies gather in Sydney late in 2007, some will recall that Crawford was the leader of the

First published as 'Sir John Grenfell Crawford', in J. E. King (ed.), *A Biographical Dictionary of Australian and New Zealand Economists* (Cheltenham, England: Edward Elgar, 2007), pp. 74–9.

initial work at The Australian National University (ANU) that led to Asia Pacific Economic Cooperation. At the fiftieth anniversary of the Menzies government's Australia Japan Trade Agreement, some survivors of an older generation of Japanese officials have recalled that Crawford was its guiding light.

The distinctive research themes and critical mass for Australia's most important concentration of graduate education and research in economics, at The Australian National University, are a long-term legacy of his work as the first director and professor of economics of the (now) Research School of Pacific and Asian Studies. The largest single component of graduate education in economics at ANU is named for him, as the Crawford School of Economics and Government. Crawford was later The Australian National University's vice-chancellor and chancellor. Crawford was the first director of the Bureau of Agricultural and Resource Economics and the second president of the Australian Agricultural Economics Society, and is regarded by the cognoscenti as the founder of the agricultural economics sub-sector of the Australian economics profession.

The Australian aid agency, now AusAID, and the unique Australian institution for analysis and public education on microeconomic policy, the Productivity Commission, had their modern origins in work by Crawford for the Whitlam government. In Papua New Guinea he was the first chancellor of the University of Papua New Guinea, the first chairman of the Development Bank, and an influential adviser to Australian governments for two decades and of independent national governments in the early years after Independence.

These contributions—extraordinary for their breadth as well as their depth—were generated from professional motivations that grew from the hard times of the Great Depression in Australia, in which his family struggled, and family sensibilities nurtured awareness of greater distress around him. Economics for Crawford was always a highly practical science—worth studying because and only because its insights would make public policy more effective in achieving its goals. He was always sceptical about theoretical economics that was not closely connected to empirical analysis of issues with policy significance. His confident and sound judgement was the product of superior intellect tempered by high responsibility in unusual conditions at

an early age. He was one of a small number of Australian senior civil servants of great ability who were thrust into positions of influence by the demands of the Second World War, and whose performance earned senior roles in Australian public service in the post-war years.

Crawford's international outlook and openness to close relations with Asian countries were evident in the 1930s when he was in his late twenties. It was encouraged by his early realisation of the importance of Australia finding a new place in the post-war world of decolonisation and later of rising strength of Australia's Asian neighbours. An inherent respect for humanity in all its manifestations made him an early doubter of White Australia, and an easy colleague of leaders of thought and policy in developing countries. His confidence that productive and trusting relationships could be built across national and cultural barriers, was transferred to others with whom he worked. A formative two years in the United States, followed by his presence in the policy centres of Australia in the years that led to the alliance with the United States, made his international orientation more American and less British than was common in his generation.

Crawford was the tenth of eleven surviving children. After years in the tiny town of Grenfell on the southwest slopes of New South Wales, famous only as the birthplace of nineteenth-century writer Henry Lawson, the family moved to then outer suburban Sydney a few years before John's birth in 1910. Sydney gave him access to good education by dint of hard work and competitive achievement rather than family privilege.

Crawford attended the selective Sydney Boys High School. A good Leaving Certificate earned him a bursary which paid his University of Sydney fees as an evening student while he worked as a clerk in the state public service during the day. A teacher training scholarship after two years saw him combining daytime teachers' courses with evening economics. First Class Honours in economics at the University of Sydney confirmed his vocation. Although bonded to the Education Department, he spent six months unemployed. His subsequent school teaching career was brief: one term teaching in Sydney and two terms at Temora—the latter on the southwest slopes of New South Wales, further out from the country well known to his immediate family.

His brother records that Temora left recollections 'of shabby treatment of blacks' and as 'having turned his mind towards agricultural economics as he saw at close hand the dependence of farmers on rain and markets'.¹ School teaching ended when he took up a Research Fellowship in Economics at the University of Sydney in mid-1933. In December 1935 he was appointed economic adviser in the Rural Bank of New South Wales.

The Rural Bank position allowed him to apply for a Commonwealth Fund Fellowship, which supported two years travel and scholarship between 1938 and 1940 in the main centres of agricultural economics in the United States. The longest and most memorable period was at Harvard University. The agricultural economics specialism was blossoming in that country. Its longstanding premise, that analysis could define optimum approaches to the manifest problems of agriculture, was being recognised in the activist and interventionist programs of Roosevelt's New Deal.

Crawford brought these perspectives into Australian government as rural adviser to the Department of War Organisation in 1942, and to Canberra in 1943 when he was appointed as director of research in the Department of Postwar Reconstruction and then, three years later, as director of a new Bureau of Agricultural Economics, now the Bureau of Agricultural and Resource Economics. The bureau was then and now part of the Primary Industry Ministry (then combined with trade in the Ministry of Commerce and Agriculture), of which he was made Secretary in 1950 under the energetic, activist, ambitious and eventually powerful Country Party minister John McEwen.

Crawford always saw development economics and development assistance as being first of all about agriculture. This influenced the early shape of the economics department of the Research School of Pacific and Asian Studies at The Australian National University, of which, from 1960, he was the first Professor and Head of Department. This perspective led him into his work on Indian agriculture, at first as a consultant to and always in close collaboration with the World Bank. He was confident in the role of international agricultural research in fending off the Malthusian spectre, and became the most important single figure in building the international structure that has successfully promoted that role since the early 1970s.

He became the first chairman of the Technical Advisory Committee to the coordinating group of donors to the international agricultural research system (Coordinating Group for International Agricultural Research, or CGIAR), which was chaired by the World Bank.

When a sense of crisis overwhelmed the global food balance in the early 1970s, with high nominal prices of grains and low stocks, Crawford rode the interest of a sufficient number of donors to the establishment of the International Food Policy Research Institute and became its first chairman. It was a small matter to persuade the Australian Fraser government to establish the Australian Centre for International Agricultural Research in 1980, again with Crawford as chairman of the board of trustees.

Crawford's work in Papua New Guinea helped to establish institutions that worked well for a while. That while was important, despite later problems. The young University of Papua New Guinea produced the generation of public sector leaders which have made the difference between struggling democracy and Solomon Islands chaos. His advice to the Fraser government after independence in 1975 led to gradual and calibrated rather than radical reduction of untied cash grants as the main form of Australian aid, which supported the central institutions of state in the maintenance of high standards of fiscal administration for one and a half decades after independence. His longstanding view that agriculture should have preferential access to credit saw the Development Bank play a valuable role in establishing the palm oil industry as the largest success story of post-independence rural development, before governance problems destroyed subsidised state credit in Papua New Guinea as in most of the developed and developing world.

Trade policy was the second focus of Crawford's life's work as an economist. His research in the mid-1930s was devoted to measurement of the Australian tariff. Work on Australian agriculture was never far removed from international market issues, and the Ministry of Commerce and Agriculture straddled trade and agriculture. When that department was split into Trade and Primary Industry in 1957, Crawford stayed with Trade (encompassing administration of import controls as well as export market access issues) and John McEwen as Minister. As secretary of the trade departments from 1950 to 1960, he sought to extend the value of imperial preferences to

Australia and the role of wartime and immediately post-war commodity agreements. However, the winding down of the British Empire preferences and a movement towards multilateral trade, most importantly through the extension of most favoured nation treatment to Japan in 1957, came to be the distinguishing achievements of Crawford's stewardship of trade policy.

Crawford's published work contains two original contributions of large but neglected importance. Neither was well published. His small book with Colin Clark on Australian national income opened up new territory which contributed to the development by others of today's sophisticated national income accounting. Several papers from the 1930s introduced a radical and profoundly important idea, that industrialisation and rising living standards in Asian countries would generate large opportunities for expansion of exports and incomes in Australia. The latter idea guided his approach to Australia's relations with Asia in the post-war period. He published a major documentary history of Australian trade policy, and many papers and reports on particular policy issues. He was a prolific presenter of substantial public lectures. He developed and won widespread acceptance of the rationale for international public support for agricultural research. He regretted the business that crowded out the general book on Australia's relations with the western Pacific region that he had always hoped to write. But as Arndt notes, in his contribution to the Evans and Miller volume, with 37 of his 84 months as director of the Research School of Pacific Studies spent engaged on external advisory work, and with heavy administrative responsibilities in the university, the marvel is the abundance rather than the paucity of published output after his return to the academy.²

Beyond the work noted above, his contributions to economic thought were primarily to add rigour, empirical richness, and sometimes elegance to accepted Australian approaches to economic policy—variously, acceptance of manufacturing protection; 'tariff compensation' and 'all round protection' (the idea that manufacturing protection imposed costs on agriculture, that should be compensated by other forms of assistance); international and domestic commodity price stabilisation; subsidisation of credit for agriculture. On most of these issues, his were the least egregious and therefore most

effective alternatives to the consistent mainstream economic rigour from the Treasury that was led by Roland Wilson. This difference divided the Menzies cabinet at the establishment of the Vernon Committee of Inquiry into the Australian economy, of which Crawford was deputy chairman, and led to the Vernon Report's intellectually violent public rejection by the Australian Treasury and government. It was reflected in the unenthusiastic official and public response to the Report of the Study Group on Structural Adjustment (chaired by Crawford, with Australian Council of Trade Unions president and future Prime Minister Bob Hawke as a member), which argued for reductions in protection, but not until unemployment had fallen below 5 per cent of the labour force.

Crawford insisted that good public policy came out of sound analysis, based on careful marshalling of relevant data. All public policy positions, including his own, should be subject to transparent analysis and to challenge from alternative views. Education was an essential part of the policymaking process. This was the rationale for his efforts in building institutions which were to make incomparable contributions to the rigorous application of good economics to policy in Australia and in the developing world, and developing institutions to promote graduate education and research in economics.

It is ironic in the light of the ideological battles over economic policy in Crawford's years of greatest influence, that it was institutions which Crawford nurtured, and people who grew from those institutions, that played the central roles in dismantling the interventionist, protectionist traditions of old Australia. Crawford himself was always a little, but only a little, to the rigorous economists' side of the great economic policy debates. The Crawford approach to policymaking, embodied in the education and policy advisory institutions to which he contributed so much, took the analysis the rest of the way to logical conclusions. For example, it was the government of Hawke, supported by the educative role of the Industries Assistance Commission, that removed most of Australia's protection while unemployment remained high, and made it possible for Australia's unemployment rate to fall below 5 per cent. Crawford's legacy includes a more outward-looking Australia, comfortable with its Asia Pacific environment to an extent that would have

amazed and shocked Crawford's mid-twentieth-century contemporaries. Smith and the younger Mill, more than contemporary neoclassical economists, would have understood these essential links between openness of mind and trade policy.

Notes

- 1 Max Crawford, 'My brother Jack: background and early years', in L. T. Evans and J. D. B. Miller (eds), *Policy and Practice: Essays in Honour of Sir John Crawford* (Sydney: Australian National University Press, 1987), p. 14. This volume also contains 13 chapters on various aspects of Sir John's professional life by colleagues at various stages of his career. It also contains a bibliography of Sir John's published work.
- 2 H. W. Arndt, 'Return to academe', in Evans and Miller (eds), *Policy and Practice*, pp. 82–91.

17 January 2007

NEW MATILDA

SHAKIRA HUSSEIN

Pakistan: the night business

The name of the district—'Heera Mandi'—means 'diamond market', but as Kiran says, 'There were never any diamonds here but us.'

The Heera Mandi lies in the shadow of the graceful Badshahi Masjid, Lahore's sixteenth-century Mughal mosque. For centuries, it has been the legendary district of the dancing girls, the area where the Mughal emperors are supposed to have housed their courtesans. Some of Pakistan's most accomplished singers, dancers, and film stars grew up in this neighbourhood. Contemporary residents such as Kiran are proud of this history, and of their own supposed descent from the liaisons of emperors.

These days, the cultural achievements of the Heera Mandi are neglected in favour of the commodity for which it has always been known: sex. Few of the men roaming its crowded streets are in search of a quick-witted accomplished classical dancer with an ability to quote Persian poetry. They seek to gratify more basic appetites.

But Kiran resists seeing her neighbourhood as just another squalid red-light district and certainly doesn't see herself as a sex worker. She is a dancer; the 'night business', as she refers to the sex, is a necessary auxiliary service, but that doesn't make her a prostitute.

And the Heera Mandi is an established entertainment district, its narrow alleyways home to dancing girls, musicians, transvestites, eunuchs and junkies, all overshadowed by the beautiful looming domes and minarets of the mosque. There are the offices of the musicians who perform at weddings throughout the city, the shops selling drums and ankle-bells, and some of the best food stalls in Lahore. There are also money stalls, a sideline to the dancing-girl business, selling garlands of paper money and changing large notes for huge piles of small denominations—the customers are supposed to garland the girls with cash and fling great drifts of it at their feet.

But it is the 'diamonds', the dancing girls like Kiran, who are at the heart of the Heera Mandi. While many Pakistani families favour sons, in the Heera Mandi it is the birth of a daughter that is cause for celebration. Daughters bring in the cash.

We were visiting the home of Kiran's friend, Neela. The front room of the house was Neela's work room. It was dominated by a huge double bed, which didn't leave much space for dancing. There was a shelf of tatty, sad soft toys, a couple of grubby film posters, and a huge sound system in the corner. The top-end girls (Neela is apparently upper-middle) hire musicians, but Neela only uses live music at parties.

We sprawled across the enormous double bed, along with Neela's mother and a string of younger sisters. Although theirs was a family of dancers, Neela's mother had hoped that her daughters would have respectable marriages and not have to dance. They had managed to save the money for Neela's dowry. She had been married at 17. But her husband was violent, and after a few months he wanted her to start dancing. Neela said if she was going to dance

she would do it for her own benefit and that of her family, not for him. She had tried to find other jobs first, but her potential employers told her ‘come to dinner, come to my bed’. If she was expected to provide sex as part of her employment, better to do it in the Heera Mandi, where her mother would be present for the entire transaction, sitting in the corner of the room, mobile phone ready at the first sign of trouble. For Neela, dancing was the best chance of freedom.

Now she was 20 years old, with artificially lightened skin, coloured contact lenses, too much make-up, and permed hair. In all the families of the Heera Mandi, there was a stark visual divide between the working girls and their younger sisters. The younger girls had a natural prettiness and sweetness, in their faded cotton shalwar kameez and with their hair in braids. Neela, dolled up for the customers, did not look nearly so attractive, to my mind. But her mother knew the market; she knew what sold.

Kiran, too, came from a long line of dancing girls. Her family had also hoped that their daughters wouldn’t have to dance, but their father had died, and at 15 and 16 she and her sister had been put into ‘the business’. Both Neela and Kiran took pride in being from traditional dancing-girl families. These days, the Heera Mandi is crowded with desperate young women from outlying villages or Afghan refugee camps. Kiran regarded these upstarts with disdain. They were common whores, not dancing girls. She and Neela expressed pride in their profession and were dismissive of anyone who might see it as shameful. Kiran had particular contempt for mullahs, who, she said, came to the district to ‘watch’ dirty acts, but not to participate in them. She was practically the only person I met in Pakistan to express support for George Bush—the United States, she said, was the greatest country on earth. It was shameful to attack it.

Kiran and Neela described their work as enjoyable (‘the dancing, not the night-business’) and said that it provided them with independence. But it was more complex than that. Neela’s family were reliant on her income—she was the sacrifice. She was working to save for dowries for her sisters, so they could afford good arranged marriages and not have to dance. After 10 years, when the younger girls were all married off, she planned to marry her pick of

her customers. Kiran's sister had done this, and was living as a second wife in Islamabad. Such marriages tended to lack social legitimacy—they were generally secret, scandalous, and the dancing-girl wife was not treated as the equal of the first wife, as the Koran stipulates. But at least there was some stability.

Neither of them spoke of the other long-term economic safety net for aging dancing girls: selling off one's own daughters.

We tried to discuss sexual health. Neela said that she was on the pill. Discussing sexually transmitted diseases proved more awkward. I did not know the Urdu word for 'condom', and they did not know (or affected not to know) the English. In an attempt to both illustrate my meaning, and to show that I didn't think that condoms were only for 'fallen' women, I fished one out from my handbag. Neela and Kiran laughed, but they were also shocked and disapproving. The presence of the condom in my bag suggested that I intended to have sex whenever the mood took me, just for fun. While they sold sex, they did so in a strictly limited context that was endorsed by their community and necessary for their survival. Neela said moralistically that her customers were 'clean' and didn't need to use condoms.

Then Neela offered to dance. She was not trained, because her family had not planned for her to work—her dancing was purely 'God's gift'. She put on a CD of Indian pop music, and began to gyrate, self-consciously at first, then confidently. She smiled, her eyes filled with apparent longing. You could believe that she did enjoy the dancing element of her job.

Next, it was Kiran's turn. She loosened her long hennaed hair, chose her CD, and was off. She was classically trained, and proud of it. She did not smile, as Neela had done. Her face was all determination. Her stout little body was flexible and graceful. She spun her loose hair, kicked her short little legs, undulated her breasts and belly, twitched her bottom. Her face was shiny with sweat. She accepted our applause as her due.

In Pakistan, women who transgress social boundaries are repeatedly told that people will think that they are prostitutes. I had naively thought that women who really did live by selling sex would at least be free of this threat. If you were already a 'loose woman', then surely you would be free to do some of the things that such women supposedly did, like walking the streets as you pleased.

But of course, her marginal social position made it all the more important for a woman like Kiran to keep up appearances. This became obvious after Kiran discovered that a female friend and I had visited the Heera Mandi without her. Kiran was incensed. She had introduced us to her friends, she had told people that we were respectable, and now she found that we had been roaming the streets like women with no morals! Kiran herself never left the house without her mother. By failing to keep to the same standards, we risked turning her name to mud.

While to most Pakistanis, Kiran epitomised the ‘loose woman’, the lowest level to which one could fall, she herself was rather prudish. She had no quarrel with the notion of social boundaries, although she was irritated by hypocrisy—the mullahs who indulged in voyeurism, the cops who demanded bribes.

Most of the high-end dancing girls have moved out of the crumbling Heera Mandi to more salubrious districts, but Kiran felt safer where she was. No one looked down on her there, because they were all in the same business and they knew her pedigree. Whatever outsiders might make of the ‘night-business’, Kiran knew that she was an artist.

3 May 2007

THE COURIER MAIL

ROSS GARNAUT

Tale of a scholar who made a contribution

On 6 May five years ago, news programs around Australia carried the news of the death of an Australian economist, H. W. Arndt. It was the circumstances of his death that grabbed the media attention. He was driving through The Australian National University when he appeared to suffer a blackout, his car

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accelerated and hit a tree on the corner of the building where he worked for much of his 50-year history at the university.

The news led to a flood of tributes to the man described by former World Bank president James Wolfensohn as 'Australia's leading scholar of Asian economic development for over 30 years'.

The biography which has just been published, *Arndt's Story: The Life of an Australian Economist*, traces Arndt's rich life starting from his school days in Nazi Germany and his family's exile to England, his Oxford education, time interned in Canada as an enemy alien and the job offer that led to his move to Australia where he quickly became an authority on the Australian banking system.

Then came the brave move into Sukarno's Indonesia and the establishment of the world-leading centre of Indonesian economics.

As the authors—Peter Coleman, Selwyn Cornish and Peter Drake—make clear, it wasn't simply as an academic that Arndt made his mark.

Nothing makes these points better than the vignette on Arndt's interaction with B. A. Santamaria. Arndt engaged Santamaria in the most challenging discussion on the role of the Catholic Church in Australian political life from a residual Marxist position and was still invited to share spaghetti with the intense Melburnian. Santamaria as well as Arndt comes out of the description in good shape, maybe even better.

Arndt was always passionately interested in politics and the politics of economic policy. His passion diminished not at all as Arndt moved famously across the political spectrum, from communist fellow-traveller to scion of the Quadrant Group (and protector of Quadrant thought from corruption by soft, interventionist opinion in the style of old Australia, Left and Right).

His strong opinions came at considerable personal cost. In the entertaining memories contributed to the book by his daughter, Bettina Arndt, she mentions her mother's irritation at her husband's changed political stance, which once led him to persuade his secretary to sign a provocative letter he wrote to the newspaper, so fearful was he of ending up in the marital doghouse when it appeared.

Arndt was sometimes the victim of ignorant intolerance from people who disagreed with his conclusions, but who lacked either the learning or

the intellect to appreciate the firm foundations of Arndt's own positions. This was evident in young Billy McMahon's use of parliamentary privilege to condemn the Canberra University College's appointment of a young economics professor. It was more vicious and widespread in reaction to Arndt's prominent defence of the New Order Government of Indonesia, before and after the incorporation of East Timor. Arndt maintained a position at great personal cost that had validity in dimensions far beyond those comprehended in the critique. This was a time when people who had the capacity and will to understand the realities of Indonesia were disqualified in the court of noisy public opinion by their presumed membership of an 'Indonesian lobby'.

We are all much richer for Arndt's life and work. This book is a reminder to old friends and acquaintances, and an education for others, on the contribution that one person can make to the growth of a great university, to the maturity of a nation and to productive relations among a diverse humanity.

Culture and Language

March–April 2007

ARTASIAPACIFIC

GEREMIE R. BARMÉ

Telling selves and talking others

During ‘Hyper Design’, this year’s Shanghai Biennale (a word often pronounced in Australia tellingly, if unfortunately, as ‘banal’), the city’s Museum of Contemporary Art (MoCA) mounted its first ‘Envisage’ show called, appropriately enough for an institution situated on a lake in a public park, ‘Entry Gate’. Curated, among others, by Victoria Lu, it featured established practitioners as well as newbies, including a recent work by the Chinese–German artist Xiao Hui Wang.

Self-portraits: My Last Hundred Years (http://www.xiaohuiwang.com/e_recent_works.php) is a series of photographs mounted on a folding wooden screen, a fragile device of partition and exclusion. The portraits show Wang decked in the clothing, and striking the poses, of a variegated Chinese modernity. They take us through the late-Qing, the eras of Shanghai modern, on to revolutionary China: pre-1949 student activist, underground

communist party member, then variously worker, cadre, Red Guard and barefoot doctor. We then move into the post-socialist era of consumerism and Western-inflected fashion, each image showing Wang in period costume with relevant accoutrement, be it a motorbike crash-helmet, mobile phone or laptop. While the clothes and postures change, Wang's features defy that mighty sculptor, time.

The work itself is an amusing, if ultimately commonplace, example of self-regard; its contents, however, say a lot about contemporary cultural pursuit and practice. Wang graduated from Tongji University in Shanghai in the mid-1980s and thereafter studied and worked in Germany. She is a member of that ever-expanding body of 'migratory artists', a cadre that spends time shuttling between and working in international ports of call, carving out careers on both sides of the East–West divide. Wang's twenty-one *Self-portraits* outdo the UK-based Jung Chang's famous three generations of women in her best-selling *Wild Swans* by a factor of seven. This 'hundred years of solipsism' is an accounting in which historical trauma, time and memory are alluded to merely by a change of gear and makeup. Knowledge, awareness and depth are elided and in their stead is the coquettish 'look-at-me' of the artist. It is a solipsism that tells us more about what the late *littérateur* Qian Zhongshu once jokingly said was not the 'ego-trip' of modern culture, but rather its 'ego-trap'.

Narcissism, however, has done much to make contemporary Chinese art, in particular painting, an abiding success. While the thrill of early 1990s political pop and cynical-realism has long since faded, we can still recall the power of portraiture that made a chosen few Chinese artists international stars, and oft-emulated exemplars. The crop-headed Fang Lijun made himself into a caricature and then a painterly statement in his early works, and others like Liu Wei, Liu Xiaodong and Zhang Xiaogang have in their various ways helped create the face of a self-consciously avant-garde Chinese art.

The power of Chinese portraiture, and the skill of its creators, was perhaps first realised internationally by the success of the sojourning Chen Yifei (1946–2005). In 2006, one of the top-earning newcomers was Zeng Chuanxing (1974–) from Sichuan whose pictures generated an auctioneer's frenzy. They are very much in the Sino-neo-romantic style so successfully

launched by Chen over two decades ago. Zeng too creates dreamy oils of local minorities and girls in bizarre garb. Their studied, orientalist charm lays claim to a certain bourgeois sitting-room universality (<http://www.wanfung.com.cn/works/oil%20painting/zengchuanxing/english/zengchuanxing.htm>). To my eye, however, these exercises in depiction are perhaps better suited to the covers of fantasy fiction and the extrusions of J. R. R. Tolkien imitators.

Back at Shanghai MoCA, the range and quality of work both new and old revealed more than the pursuit of amour-propre, for it explored another dimension of a slow-burning cultural confidence and ease of which audiences of mainland shows are so often deprived. That confidence was reflected too in the participation, and inventiveness, of artists of non-Chinese origin. Hugo Tillman provided a particular and mischievous take on the mainland scene in *Contemporary Chinese Artists*, a series of fourteen surreal *mise-en-scène* photographs. In his staged portraits Tillman presents visions of notable Chinese artists in which they get to act out. The results give Cindy Sherman a passing nod while recalling the *tableaux vivants* and mannered backdrops favoured by nineteenth-century photographic studios along the China coast.

Wang Guangyi, who came to fame for a 'sots-pop art' (as opposed to Soviet artists Komar and Melamid's sots-art) in which he married high socialist icons and slogans to global consumer culture, is pictured by Tillman pushing a trolley of mangos (remember Mao bestowed these on Beijing workers in the Cultural Revolution with great fanfare?) and being hailed by three peasant women. The backdrop is an exaggerated rising sun emblazoned with the legend 'long live Chairman Mao'. Meanwhile, the Shanghai artist Yu Hong had told Tillman that she had grown up in a cramped room occupied by her whole family. He arranges her draped over a steel bunk bed, on a desk a TV screen flickers red with the ghost of a newsreader. A lamp and a map of the world complete the sparse décor of revolutionary poverty (see <http://www.artnet.com/galleries/Exhibitions.asp?gid=490&cid=105402>).

While Wang Xiao Hui imagines herself back in time and Tillman frames Chinese artists in the frozen moment, the Australian-based, but Beijing-returning, painter Guan Wei has been morphing himself for over two decades.

Starting as a minor artist active from the '85 Movement when a wave of new arts groups and artists appeared throughout China, after teaching and pursuing his artistic practice in Australia as a post-Tiananmen Chinese expat painter, he gradually evolved into one of a handful of recognised new Chinese–Australian artists (a group that also includes Ah Xian). Wang Xiao Hui interprets history through herself as an ever-ready poser, Guan Wei is from a lineage of lived history. Guan, a Han Chinese abbreviation of a Manchu surname, is the distant scion of the Qing imperial clan. His great-great-aunt was the daughter of Ronglu, who famously conspired with the Empress Dowager Cixi in 1898 against the Guangxu emperor, and she married into the imperial family. Her husband, Prince Chun was the regent who oversaw the empire in the first years of the Xuantong reign; their son, Puyi, being the last Qing emperor.

Known for his airy humanoid figures and a sardonic humour that eschews the irksome irony marking so much Beijing-generated art, Guan Wei has a more expansive sensibility. He works from a soft, pastel palette to create an engaging world that is neither confrontational nor repulsive. Nonetheless, it is a realm that can, upon closer inspection, and introspection, prove to be haunting, a place where whimsy masks disquiet and where a lightness of touch responds to lurking menace.

Celebrated in Australia, Guan now celebrates Australia and the friable possibilities of a land whose people, flora and fauna enthralled early visitors, and eventually its conquerors. His latest work, *Other Histories: Guan Wei's Fable for a Contemporary World*, which was curated by Claire Roberts, opened at the Powerhouse Museum in Sydney on 11 October. It finds inspiration in the mysterious origin of a small statue of the Chinese God of Longevity. The object, unearthed in the northern Australian city of Darwin in 1879, belongs to the Powerhouse collection. No one knows how the little figure got to Darwin, so Guan launched his own investigation, taking a page or two from that nautical confection *1421: The Year China Discovered the World*, the best-selling, widely lambasted work of the fabulist and former submarine commander Gavin Menzies. Around the person of the Ming Yongle emperor, creator of early-modern Beijing, the eunuch admiral Zheng He

and the Southern Seas, Guan weaves an imaginary tale of travel, encounter and enrichment to produce a monumental mural installation. It is a tale that concocts a series of relationships between the diminutive statue and other objects from the museum's collection. By this means, Guan creates a narrative initially about China, then about Australia and then further on about China's place in Australia, as well as Australia's place in the world.

Guan's achievement comes at a fraught moment in Australia's recent history, when politicised debates about border security, ethnicity and inclusivity threaten the fabric of society. *Other Histories* is an extraordinary work in which a creative Chinese mind embraces and enmeshes itself with local anxieties while speaking to wider human concerns.

Chinese art enjoys a growing international reputation, one only partially fuelled by an erratically repressive regime that interdicts certain forms of cultural expression and outlaws outright dissent while tolerating, in increasing measure and with ever greater facility, ostensibly transgressive artistic practice. While politics still inflects the work of many, the market, both international and notably local, fosters artistic expression that puts a premium on people with cheque books. Amidst, and in part because of, these inevitable and unenviable forces, however, the creative individual undoubtedly enjoys extraordinary scope for self-expression, invention and experimentation.

It is easy to bemoan the loss of some past moment of presumed artistic integrity in China or to bewail the inroads of the international art market. However, artists like Guan Wei who remain engaged with their place of origin while finding meaning in their domicile of choice enrich the scope of a world Chinese culture, contributing to it with an ambition that speaks to human reality and possibility.

15 March 2007

THE AUSTRALIAN

SHAKIRA HUSSEIN

Islamist women play a key role

For understandable reasons, media analyses of Islamism and gender have tended to focus almost exclusively on males as perpetrators and females as victims. This accurately captures the subordinate status of women according to much Islamist ideology, but it misses certain nuances. For example, in a society where the adult males in many families were dead or maimed, the Taliban-era restrictions on Afghan women's physical mobility placed enormous pressure on many young boys, who were forced to become primary breadwinners.

Conversely, with the notable exception of the Taliban, most Islamist movements have highly active women's wings, without which they could not have achieved popular acceptance. Islamist movements owe a great deal of their appeal to the success of their welfare programs, which fill the gaps left by the failure of governments to provide adequate services in health, education and social services. In gender-segregated communities, effective welfare provision would be impossible without the contribution of the women's wings, who have access to other women and to private homes.

The women's wings of some Muslim movements play a progressive role. As part of a wide-ranging gender empowerment program, the young women's wing of the Indonesian Nahadlatul Ulama produced counter-readings to traditional texts that had provided religious sanction to wife-beating. However, the women's wings of other organisations have actively endorsed highly patriarchal policies that have had disastrous effects for other women.

The women's wing of the Pakistani religious party, the Jamaat-I-Islami, plays an important symbolic role in the defence of the Hudood Ordinances,

under which thousands of Pakistani women, many of them rape victims or targets of malicious neighbourhood vendettas, have been jailed for adultery. The JI women (fully veiled, as the party press office is careful to point out) regularly take to the streets to proclaim that the ordinances, far from oppressing Pakistani women, offer them protection from the evils of Western-style sexual decadence. They claim that the Pakistani women who have long campaigned for the repeal of the ordinances are an unrepresentative elite and that they represent the voice of the masses.

In the course of their prison welfare and legal aid work, the Jamaat-I-Islami women activists have seen firsthand the traumatic effects that the ordinances have had on the lives of many Pakistani women. They readily volunteer stories of innocent women who have been arrested as a result of false accusations from jealous ex-husbands. And yet they maintain that any problems arise from the implementation of the law, not from the law itself. They loudly opposed as 'unIslamic' recent reforms to the ordinances, which retain the prohibition on adultery but alter procedures and laws of evidence in ways that are supposed to lessen the chances of wrongful prosecution and conviction.

Paradoxically, participation in Islamist politics enables women to transgress social norms that Islamism itself supposedly upholds. The JI women leaders say that a woman's proper place is in the home, but in many regards their own lifestyles resemble those of Western middle-class professional women. Like their male colleagues, they are generally well educated and intelligent, and their party activism provides them with a full-time outlet for their energy and skills. After the 2002 elections, some of them entered parliament under gender quotas. They were careful to specify that this was only for the sake of shoring up party numbers, with one female parliamentarian explaining that in general, women were meant 'to create human beings, not governments'. But after meeting them, it is clear that they love their work.

A similar paradox is to be found in the life of Zaynab al Ghazali, an Egyptian who was the most famous female Islamist until her death in 2005. Al Ghazali was highly independent by any standards. She swore a personal oath of loyalty to the founder of the Muslim Brotherhood, Hassan al-Banna,

but refused his request to merge her organisation with his. Despite not being a formal member of the Brotherhood, she became an important figure in the movement. Sayyid Qutb's book *Milestones*, which he wrote in prison and which became one of the most noteworthy Islamist texts, was first circulated by her. Her first marriage broke down, and she told her second husband that she would end their marriage if it ever came into conflict with her duty to jihad. She withstood arrest and torture for her opposition to the Nasser regime, as she graphically described in her memoirs. Yet in her advice to other women, she sermonised that married women should remain in the home and obey their husbands.

For many Islamist women, the struggle to build what they regard as a truly Islamic society provides a reason for entering public life. While some maintain that such a society will retain a place for women in the public realm, others imply that women will then return full time to the home. It is hard to imagine that these restless, energetic women will be happy there.

Autumn 2007

ANU REPORTER

TIM HASSALL

Thanks in Indonesia? No thanks!

On my first trip to Indonesia twenty years ago, I arrived in the village of Ubud in Bali and was sitting in my *losmen*. Two young hotel maids came in and started making up the beds. I said, '*Terima kasih*.' One of them mimicked mockingly to her friend in an irritated tone, '*Terima kasih, terima kasih*.' The message, it seemed, was, 'Thank you, thank you—that's all these foreigners ever say.'

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Even since then I've noticed how hard it is for Australians to thank properly in Indonesian. The form is easy—you can just say *terima kasih*, or more informally, *makasih*. The big problem is knowing when to do it. And most Australians do it too often, causing awkwardness or even offence.

Indonesians use *terima kasih* and *makasih* only sparingly. When someone performs a routine service for someone else, they are often not thanked for it. In such situations, if you feel tempted to say *terima kasih*, you should try to replace it with some other way of acknowledgement, such as a nod.

Why do they thank sparingly? This seems to be linked to traditional values. Most Indonesians, especially Javanese, have a firm sense of social hierarchy and of status differences. So they are unlikely to thank a person of lower status in many everyday situations as they regard that person to be simply carrying out his or her social obligations.

Also important is the great value placed upon group membership and communality. It creates a feeling that you should do certain things for others without receiving formal acknowledgement, simply because you all belong to the same group. And so thanking someone you know well can at times seem aloof and create offence. At which times? Unfortunately it's hard to say. You have to feel your way here and might sometimes choose to convey your gratitude indirectly, for example by expressing pleasure or relief, rather than by uttering the formula *terima kasih*.

Australians thank each other a great deal in everyday situations. It makes little difference who has the higher status or whether the service is big or small—we just thank anyway. And often we even do it repeatedly, so that a routine encounter between a shopkeeper and customer turns into a litany of murmured thanks.

This is probably to do with cultural values as well. Australian society has a strong egalitarian ethos—so striking that one observer, Anna Wierzbicka, calls it 'super-egalitarianism'. It makes us feel that people are not obliged to perform services for us by virtue of their social position or rank. As a result, we tend to explicitly acknowledge everything that is done for us by anyone, by thanking them. What's more, we tend to transfer these habits into Indonesian.

But Indonesians are starting to thank each other more often too. This is especially true among educated city dwellers. And, as ANU Southeast Asia expert George Quinn has remarked, it seems to be due to Anglo-American influence. For one thing, the traditional values that work against thanking are losing their sway. Social relations are becoming less hierarchical and at the same time are becoming more impersonal. This is especially so among the highly educated, urban elite. As these people become more like Anglo-Americans in their cultural outlook, they have started to adopt western thanking habits.

Indonesians are heavily exposed to Anglo-American thanking practices as well. For example, in American TV dramas and movies, the characters say 'thanks' and 'thank you' to each other constantly. This is translated faithfully in the subtitles each time as *terima kasih*, so the Indonesian viewers see characters saying 'terima kasih' to each other constantly when they watch TV. This also helps to change people's speech habits.

For learners who feel nervous about this, here is a 'cheat' ploy. Thanking with the word 'thanks' tends to get a very good reception in Indonesia, perhaps because people feel flattered when you speak English to them. And when you say 'thanks' you are temporarily behaving in a foreign way, not an Indonesian way, so your thanking is not judged by native norms. That means that however silly *terima kasih* would have sounded, your thanks probably won't bother a soul. Of course this strategy has a drawback: it simply sidesteps the important task of learning to use *terima kasih* in an appropriate way. But as a back-up strategy for difficult moments it can be useful.

8 June 2007

THE AUSTRALIAN

ROBIN JEFFREY

Ignorance as a second language

The Dutch do it. The Norwegians do it. Even the French and the Canadians do it. The Indians do it a lot. They all learn second (and third) languages. Australians don't.

Yet there's broad, though passive agreement: Australia's capacity to understand and talk to Asia and the Pacific is deficient, even pathetic.

Education Minister Julie Bishop asserted that the government was trying to do something about it by spending, she claimed, A\$112 million on school language programs. Kevin Rudd promised A\$65 million towards learning languages of Asia. The Australian Chamber of Commerce and Industry (ACCI) called for more language teaching in a report in April. So have the Australian Council of State School Organisations and the Group of Eight universities. The Australian Federal Police, Australian Defence Force and non-government aid organisations cry out for linguists. The Flood Report on intelligence did the same.

Although Australia has never been more enmeshed in Asia and the Pacific, its capacity to speak the languages, and know the cultures, is probably less than it was 15 years ago.

The consequences are evident. Would the ill-fated encounter with the Governor of Jakarta last week, when police in Sydney apparently entered his hotel room unannounced, have happened in quite this way if senior officials had realised where he fitted into the politics of Indonesia? This is not to argue that Australians should overlook bad acts for the sake of a gooey cultural relativism. It is, however, to state the obvious: if you choose a fight, know the ground.

Michael Wesley's new book, *The Howard Paradox*, argues that Australia's economic and security relations with the countries of Asia have prospered under Howard governments. What's missing in such discussions, however, is recognition of the small cadre of Asia-knowing diplomats, defence, police, business and NGO people who have guided policy. General Peter Cosgrove is a well-known example. Another is Major Michael Stone, featured in a recent instalment of the ABC's Australian Story, where he demonstrated his knowledge of Tetum and his sheer joy at being able to talk to the people of East Timor.

You'd think the numbers of such people would grow steadily. But if anything, they are shrinking. The number of students studying Indonesian in Australian universities fell by more than 20 per cent between 2001 and 2005—to fewer than 5,000 students at any level of expertise.

In schools, fewer than 1,900 Year 12 students did Indonesian in 2005, less than 1 per cent of all students in Year 12. More than 5,400 did Chinese and more than 5,300 did Japanese. But many of these students were from Asian countries and will return home after their study. They won't augment Australia's global capacities.

Study of Asia in Australian schools suffered a severe setback when the government scrapped the National Asian Languages and Studies in Australian Schools (NALSAS) program in 2002. The premature end of the program, which was conceived to take a generation of children from Year 1 to Year 12, not only ripped money out of Asian studies; it demoralised teachers and told principals and parents that the Commonwealth government did not think the study of Asia was important.

So what's needed?

First, leadership. A few prominent Australians, particularly in business and government, need to say over and over again what James Wolfensohn said in March this year: 'We must invest in an Asian future.'

Peter Hendy, chief executive of the Australian Chamber of Commerce and Industry (ACCI), provided a welcome echo when he released a report on education in April: 'We think it should be compulsory that by at least seven, each child who can is learning a foreign language.'

Then we need policy. Australia has some of the most imaginative and dedicated language teachers in the world. They have to be; they've survived

against heavy odds for years. What's required is to unify and unleash their talents.

As an example, languages that attract small student numbers are often deemed too expensive for a single university to sustain, even though they are spoken by tens of millions of people. One answer is to create a national program to make Australia a world leader in the global teaching of languages such as Hindi/Urdu, Korean, Pidgin, Thai and Vietnamese. For the cost of an Abrams tank (about A\$10 million), you could afford to offer all five languages to the whole of Australia (and the world) for five years.

Such languages would be available in a variety of formats: on the web for distance learning; as intensive short courses; and through well-organised programs in their mother countries. Some of this already happens—but piecemeal and underfunded.

A second example of where policy is needed is in the renewal of the pool of scholars who teach about the politics, history and societies of Asia and the Pacific. In 1988, 15 of Australia's 19 universities taught courses about India and its South Asian neighbours; today, no more than half a dozen universities do. Yet state and Commonwealth governments rush to embrace India as the next global powerhouse; and Pakistan's northwest frontier hasn't been so famous since Ronald Coleman was a Bengal Lancer.

In 2002, the Asian Studies Association of Australia (ASAA) argued for a program pioneered by the Luce Foundation in the USA that offered incentives to universities to hire scholars of Asia and to make commitments to teach about the region. The price of a second Abrams tank would put 20 such scholars in Australian universities for five years.

The pool of Australians capable of interpreting the region is tiny. We lost five such people among the dead in the Yogyakarta plane crash in March (two police, a diplomat, a journalist and an aid worker). Such shoes today are hard to fill.

As Australia is drawn into ever closer connections with Asia and the Pacific, it is essential to have growing numbers of people with the language and cultural skills to enjoy working with the neighbours. We need Australians able to talk, listen, understand and act. At the moment, we don't have nearly enough.

7 July 2007

THE AUSTRALIAN

SHAKIRA HUSSEIN

Voices muffled by the offence forces

As a child, I used to lie awake at night writing letters in my head to Enid Blyton, with whom I had an intimate but entirely one-way relationship. I desperately wanted to believe that in Blyton-land, I would have been scoffing ginger beer and catching smugglers and jewel thieves with Julian, Dick, Anne, George and Timmy the dog, but in my heart of hearts, I knew that was not my place. I would have been one of the comical and/or sinister dark-skinned, foreign-looking strangers who hung around the edge of the story. The Famous Five would have sneered at me, and then called the cops. I loved them, but they didn't love me.

I never sent my letter to Blyton, because as I eventually discovered, she had died before I was even born. And I now don't quite remember what I wanted to say. Probably just that it wasn't fair to leave me out of the fun; that dark-skinned, foreign-looking strangers could scoff ginger beer and catch criminals just as efficiently as any upper-middle-class British twit. But I do remember one line quite clearly: 'Children today know about the world.' And this was the crux of my complaint against Blyton: that she was ignorant, that she did not understand a world that included people like me.

I relived my ambivalent childhood relationship with Blyton when I read that a commissioned children's novel by the Australian writer John Dale had been refused publication because it was allegedly offensive to Muslims. Dale is an experienced writer and an associate professor in the Centre for New Writing at the University of Technology, Sydney. But after booksellers and librarians said that they would not put *The Army of the Pure* on their bookshelves, Scholastic told Dale that they would not publish it.

Although this decision was made in an attempt to defend my religious community, I could not see it as anything but bad news. A significant gap in perception has developed between many Muslims and non-Muslims around the whole issue of 'offence'. Muslims feel besieged, unable to open a newspaper or turn on the television without finding themselves being variously attacked, patronised, bullied and mocked. Many non-Muslims, on the other hand, feel that Muslims have wrested control of other cultures, inhibiting free speech.

This perception arises in part from events such as the response to the Danish cartoons and the murder of Theo Van Gogh, but it is also partially due to non-Muslim cultural administrators making pre-emptive decisions about what Muslims would and would not find offensive. A German opera company cancelled a production of Mozart's *Idomeneo* because it would have featured the severed heads of Jesus, Buddha, and—most problematically—the Prophet Muhammad. The performance was reinstated after Muslim religious leaders stated that they believed it should go ahead. In Australia, a mocked-up version of *Where's Wally* called *Where's Bin Laden* was pulled from some stores after staff decided that it 'wasn't very tasteful'. This opinion was not shared by the bookseller at my local Islamic centre, where it was on prominent display. Dale's book similarly fell foul of cultural gatekeepers rather than Muslims, but its cancellation adds to fears of Muslim cultural control.

In an act of considerable trust, Dale provided me with a draft of his book for comment. I approached it with no preconceived ideas as to whether or not I would find it offensive, and with mixed feelings about the entire notion of 'offensiveness'. I don't believe that books should be refused publication purely on the grounds that Muslims (or some Muslims) don't like them. On the other hand, much depends on context, and a children's novel surely should be judged on different criteria to Christopher Hitchens's deliberately provocative *God is Not Great*.

As it turned out, I was not 'offended' by Dale's book, although I had plenty of comments to make. The basic premise of Dale's book—Islamic extremists plan a devastating attack on Sydney, intrepid kids save the day—is clearly an imaginative take on current political events and a legitimate area

for children's fiction. There is a 'good' Muslim who names the attack as un-Islamic, and a 'bad' non-Muslim bully who is arguably the real villain of the story.

In my view, the main shortcoming of the draft that I read is not that it features Muslim terrorists, but that all the Muslim characters (including the 'good' Muslim who proves his loyalty to Australia) are represented as foreign. Their dress is elaborately exotic, their English stilted and mannered. Such exoticism would seem dissonant to the average Australian Muslim child, who may indeed be familiar with exotic clothes and stilted English, but also with Muslims who speak with broad Australian accents and dress in jeans and T-shirts. The terrorist characters are easily placed into a larger context (there are good and bad people in all communities) but the foreignness of the Muslim characters would jar with the experience of any Australian Muslim child reader.

I dispute Dale's images of Muslims in fancy dress (even though I sometimes wear 'exotic clothes' myself), but this is not the same as taking offence. My reality does not match his fiction and, since he seeks to ground his fiction in reality, this is relevant. But of course, others have their own reality. I can express my reality to Dale, but it is up to him whether or not to take it on board.

The big question, of course, is whose reality finally determines whether the book and others like it are suitable for publication by a respected children's publisher. While I am comfortable in my own judgement of Dale's book, I am less sure about how much it should count to anyone else. If decisions are going to be made on the grounds of whether or not a book or performance is 'offensive' to Muslims, then surely Muslims should be somehow involved in that process. This is particularly the case in the current political climate, when such decisions will be blamed on Muslims whether they were involved in them or not.

Yet I have no desire to see Muslim cultural gatekeepers tasked with passing verdict on 'offensiveness', even if I were to be one of the gatekeepers. There is no consensus among Muslims as to what is or is not offensive. I know a couple of Muslims who had a quiet giggle at one of the Danish cartoons

(most of which were notable for their lack of funniness). And Muslims frequently offend each other. I am currently banned from viewing the main Australian Muslim chat site because of an allegedly ‘disgusting and offensive’ article that I wrote for Crikey. I think that there is a difference between reasonable and unreasonable offence, but again, I have no idea who should decide what that is.

Nor do I suggest that the only people capable of judging ‘offensiveness’ are the targets of the offence. I often judge a piece of writing to be homophobic or anti-Semitic without waiting for a verdict from gays or Jews. But my confidence in such judgements is not so absolute that I would make decisions based upon them without seeking the opinion of those more directly affected. Perhaps, instead of ‘gatekeepers’, we should aspire to conversations—as many of them as possible. I still wish I could have sent my letter to Enid Blyton.

There is one question that I can answer: would I give *The Army of the Pure* to my own child to read? And the answer is, yes I would—and in fact, I did.

War and Weapons

25 October 2006

THE AUSTRALIAN

RON HUISKEN

Utopia is not out of reach

It's not that hard to prepare a forecast for 2026 that is rosy and logically consistent. All it takes is to forecast a technological breakthrough (hydrogen fuel?) or a seemingly modest change in human nature and the outcome can seem inevitable. Although we can always fall back on Abraham Lincoln's observation at Gettysburg that 'the world will little note nor long remember what we say here today', the tricky bit is to make the forecast seem plausible even under critical scrutiny. So, where would plausible improvement in the management of global affairs over the next 20 years make an important difference?

Some years after 9/11, the major powers concluded that the global war on terror seemed, if anything, to be intensifying and prolonging the era of virulent terrorism. Re-engaging with Washington in a manner not seen since the weeks after that tragedy, they reassessed the strategies, tactics

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and priorities being pursued and forged a new consensus. This resulted in heightened coordinated international vigilance; produced patience and a determination to regain the moral high ground; yielded a preference not to bring major force to bear but also a wider and more certain political willingness to confront those who hosted or sponsored terrorists groups; and allowed a far more determined effort, jointly with Muslim states, to erode the legitimacy of terrorist acts. In retrospect, this successful change in direction on combating terrorism did not require some revolutionary great leap. Broadly speaking, it endorsed all the things said, not least in Washington, in the immediate aftermath of 9/11, before Operation Iraqi Freedom blew everyone off course.

The success in getting together on terrorism proved to be catching. States recognised that the non-proliferation regime was in serious trouble, that there was a tipping point out there, where the widespread disposition to say no would degrade into 'we have no choice but to say yes'. Not only were there at least 40 states in a position to say 'yes', making the prevailing emphasis on blocking the supply of necessary materials and technology look increasingly futile, there was also the alarming possibility, however remote, that terrorists would acquire nuclear weapons. What President Bush had characterised as 'the intersection of technology and terrorism' was recognised to be, in part, a simple matter of probability. The fewer locations around the world where the bomb and fissile materials are manufactured, repaired, stored and deployed the lower the probability that terrorists will get their hands on them.

The established nuclear weapon states accepted that they had to set a stronger and ongoing example in signalling the very limited real-world utility of these weapons, that is, to contribute to squashing the demand for them rather than focus only on denying them to new players. They did so through further steps with respect to the number, disposition and alert status of their nuclear forces, and through doctrinal statements on the purposes they served. Along the way, Israel was persuaded to acknowledge its possession of the bomb and to justify possessing it. This began to erase an inequity that has incensed Arab states for decades. On the back of these steps, and working through the United Nations, the major powers secured agreement

on the objective of putting all fissile material production facilities under international control by 2026. This was a step or two beyond President Bush's Global Nuclear Energy Program (GNEP). And it put a stop to Australian interest in enriching its uranium before export. This platform saw the gradual development of a stronger, more certain and more universal intolerance of proliferation, a sharp contrast to the political dissonance on the issue that exists today. Gathering confidence in the sincerity of these objectives appears to have been instrumental in North Korea's decision to quit the game, to inclining Iran toward transparency rather than ambiguity, and to developing an international consensus on amending the Non-Proliferation Treaty (NPT) to codify these developments.

25 January 2007

THE AUSTRALIAN

ROBERT AYSON

Hopes for sanity not yet lost in space

China's surprising anti-satellite test has raised fears of an arms race in space. The unofficial moratorium on such tests is over. This alone means that China has acted provocatively and the military implications are only part of the story. If the satellites supporting the global transmission of data, images and funds became too vulnerable to be viable, much of life as we know it would grind to a halt. That is in nobody's interests.

The 22-year taboo against anti-satellite tests supported the myth that space is not militarised. But space has long been used for military applications. The American way of war—from the Gulf War in 1990 to Shock and Awe in Iraq in 2003—would be impossible without the military use of satellites.

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Washington's plans for missile defence have included space-based systems as essential components. Ballistic missiles leave the earth's atmosphere *en route* to their target. And space is central in Australia's own record of defence cooperation with Washington.

The US is the world's dominant space power. Having beaten the Soviet space challenge by prevailing in the Cold War, the Pentagon guards this dominance jealously. Above all, it allows the US freedom of manoeuvre in conducting military operations. Washington's concerns about China's test may be less to do with the breaking of a gentlemen's agreement and more to do with the protection of the US's space hegemony.

China could throw some stones back at the main critic. Beijing could argue that the US has been even quicker to break old understandings. The Bush administration tore up its Anti-Ballistic Missile Treaty with Russia to develop missile defence. This program may one day target China's anti-satellite capabilities.

Missile defence certainly reduces China's confidence in the balance of strategic power, and in its ability to hold sway in any conflict over Taiwan. Its anti-satellite test sends a clear signal that any space-based systems involved in the defence of Taiwan would not go unchallenged.

Yet China would be unwise to get into a war of words with the US and its allies. The test challenges China's insistence at the stalled Conference on Disarmament in Geneva that it will only discuss a fissile material cut-off treaty if the US agrees to negotiate a treaty on avoiding an arms race in space.

More importantly, the test, and Beijing's fumbling and belated acknowledgement of its existence, flies in the face of the reputation China has been carefully building as a responsible and peaceful rising power. Thanks in no small part to its increasingly nuanced diplomacy, Beijing's reputation in the Asia-Pacific region is better than it has been in living memory.

But this could be at risk if there are more signs of sabre-rattling. So far the test will only really concern those who were already slightly suspicious about China's intentions. But if Beijing pushes further, the balance of opinion may really start to change. And that may well provide an opening for the US. This would not be in keeping with Beijing's plans.

In 1957 the launch of the Sputnik satellite showed the West that the Soviet Union was a serious competitor in the space race. This accelerated the Cold War nuclear arms race. The US spent billions of dollars responding to a non-existent 'missile gap', and both sides ended up with far more nuclear weapons than they would ever need. It is by no means inevitable that China's test will have a similar effect. An arms race is like the tango: it takes two. This means that the next step is crucial.

25 January 2007

CANBERRA TIMES

STUART HARRIS

Chinese flex their star war muscles

China's test of an anti-satellite weapon in space on 11 January this year, although a significant technical achievement, was still far short of US capabilities. Even so, it is extremely worrying for global security. Now that the dust has started to settle, it may be easier to look at the implications in a clearer light.

Headlines like 'international fury' may be understandable, and those concerned about a new 'arms race' are largely justified but the limited interest earlier by those now furious or worried about an arms race is a little puzzling.

Nevertheless, the blame game has started, and China is the villain. Although it seems to have breached no international law, to some extent it certainly is the villain if only for the potentially damaging and long living orbital debris it has created for a region of space used intensively for civilian and military purposes.

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So why did China decide to undertake this test? And why now, when China has been pursuing a diplomatic charm offensive internationally to convince all of its peaceful intent and to avoid counterbalancing reactions?

Speculation on China's motives has followed many paths: to protect its nuclear second strike capacity? A shot across the bows to bring the US negotiations to limit weaponisation of space? To respond against development in US missile defence systems and Japan's increased involvement? Or simply flexing its increasingly lethal military capabilities.

Yet, however the timing is explained, China has obviously been working on developing its space technology over some years. As has the US. A US spokesman's reaction was moderate, seeing China's action as 'inconsistent with the spirit of cooperation that both countries aspire to in the civilian space area'.

Yet, as he would know, while the test may affect civilian space it was not really about civilian space.

Indeed, the most likely reason for China's test is recent assertive action by the US to develop defensive and offensive space weapons. The 1998 Rumsfeld Commission called for US national security space programs and, in 2004, the Pentagon, under Rumsfeld, revived the US military space program, outlining a long-term vision for space weapons including an air launched anti-satellite missile (China's missile was ground-launched).

President George W. Bush has emphasised the need for US 'space dominance' to defend the US and the Pentagon's budget requests for 2006–07 sought hundreds of millions of dollars to test weapons in space.

China and Russia have been down this path before in trying to stop space being used militarily—and of course against them. In the mid-1980s, Reagan talked of using space militarily to destroy missiles. With the threat of debris damage to satellites in space of all countries, the last US anti-satellite test was in 1985.

The idea of collaborative international action, first broached then, got nowhere. China, in particular, has continued to call for international action to ban space weapons.

Efforts to develop an international treaty to prohibit the militarisation of space, however, have been unsuccessful. In June 2006, at a UN conference

on the uses of space, the US voted to block a resolution to ban weapons in space, arguing that there was no arms race in space.

Chinese experts responded sharply to the statement made by Bush shortly after, in late August 2006, when launching a new US national space policy that would include a powerful ground-based laser weapon for use against 'enemy' satellites. Bush argued against any international prohibition, saying that the US would reserve its rights, capabilities and freedom of action in space and not allow others to prevent that.

Space may not yet be quite a US colony but China's concerns, reflecting US intended dominant control, are not just about military security but also about its substantial commercial space activities.

It is hard to argue now that there is no arms race in space, with all its attendant risks; the US assertion of exceptionalism and unwillingness to seek an international legal process has obvious costs.

An intensified arms race in space would be very damaging for the international community as a whole. The hope of many countries, including as well as China, EU members, Russia and others is for an international treaty to limit or ban the use of space for military purposes applicable to all, including the US.

Australia has expressed concern at the test and wants China to explain its intentions.

Given that our modern way of life is heavily dependent on the numerous satellites and communications systems that operate in space which would be at grave risk if an arms race in space developed further, Australia should argue for an international legal framework that, while meeting genuine defensive security concerns, would restrain offensive weapons in space. Now the Chinese have demonstrated a capability, the US might just be less resistant.

1 March 2007

COUNTERPUNCH

BRETT BOWDEN

‘It produces more wicked men than it takes away’

The world it is at war: an open ended ‘war on terrorism’. Leaders across the world have repeated the declaration *ad nauseam*. We have been told just as many times that it is a ‘war like no other’. The stakes are high. If Osama Bin Laden is to be believed it is the ‘Third World War’; for George W. Bush the war is nothing less than a ‘fight for civilization’. As to whether the terrorist attacks on the United States on 11 September 2001 were in fact an act of war demanding a military response, or a criminal act demanding a legal and justice-based response is open to question and debate. US Secretary of State Colin Powell’s initial response suggests that he regarded it more in terms of a crime than an act of war: ‘you can be sure that America will deal with this tragedy in a way that brings those responsible to justice’, he is reputed to have said. But President Bush had other ideas, later telling journalist Bob Woodward that his immediate reaction was: ‘They had declared war on us, and I made up my mind at that moment that we were going to war.’ And thus, we are at war.

The casting of the war on terrorism as a war fought on behalf of or for civilization against some less-than-civilized ‘other’—terrorists and their cohorts—is a significant point that cannot be allowed to pass unexamined. The image being generated and marketed here is one of a war between the civilized defenders of everything that civilization represents and the barbarous terrorists who oppose it and want to tear it down. Right or wrong this image is not exactly new, and thus the war on terror is not exactly a war like no

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other. Rather, history and precedents have a lot to tell us about the present and the conducting of this war on terror.

Throughout much of organised human history the peoples, societies and states of our world have been hierarchically divided on the basis of their approximation to the ideal of civilization. The most advanced collectives of peoples, civilized states, sit at the apex of civilizational hierarchy, those at the polar opposite are said to be not far removed from the state of nature. Somewhere in between these two poles at various stages of human and social development are barbarians and even less-developed savage peoples. Along with a capacity for socio-political organisation and self-government, means of warfare employed in the crucible of war have long been regarded as key markers of civilization—or the absence thereof.

Civilized societies, it is said, adhere to the generally accepted principles of international law, including the laws of war. By their very nature barbarians and savages are deemed incapable of abiding by such laws. While terrorists might be capable, they are unwilling to do so. In this respect they are something akin to modern-day savages; at least in terms of their problematic place in the international system and international law. Just what I mean by modern-day savages will be outlined shortly, but it is not the pejorative term that is sloppily bandied about in much of the rhetoric that has accompanied the declarations of the war on terrorism.

Even prior to 11 September 2001, terrorism was regarded as some form of 'new barbarism' or contemporary 'savage war'. The military historian, Everett Wheeler, suggests that the 'shock of modern terrorism resembles the outrage of seventeenth or eighteenth-century European regulars in North America when ambushed by Indians who ignored the European rules of the game'. This comparison urges us to recall the 'military horizon', a figurative line drawn in the sand to distinguish 'civilized' European warfare, which was supposedly organised, constrained, and chivalrous, from the chaotic nature of the undisciplined and opportunistic 'primitive' warfare practiced by savages and barbarians.

In the tradition of the savage war thesis, the contention is that conventional warfare requires, above all else, open battle and observance of the rules of war. Terrorism on the other hand, is thought akin to primitive warfare in that the

perpetrators either lack or shun a set of values. Like the warfare attributed to the savages and barbarians found in the Americas, Australasia, Africa, Asia, the Middle East, and even Eurasia, terrorists avoid open confrontation with regular armed forces, relying instead on primitive warfare tactics such as hit-and-run surprise attacks and deception.

In respect to the civilized–savage divide, Wheeler suggests that in the Western tradition of warfare there is some tension between these rival norms or modes of war-making. But the blanket aerial bombing of Dresden and the dropping of Atomic bombs on Hiroshima and Nagasaki, to take just two examples which include the targeting of civilians, would indicate that this tension is very close to the surface. Or perhaps more accurately, it further exposes and undermines the much cherished myth of Western chivalry. It also relies on the problematic exclusion of Europe's fascists and Nazis from the Western camp. If there is a tension in the Western mindset when it comes to choosing between the rival norms of warfare, the nature of the combatants arrayed against it is a key determining factor.

I will return to the savage war thesis momentarily, but first I want to address the not altogether unrelated notion that the war on terrorism is a war like no other. When political and military leaders struggle to demonstrate the progress they claim is being made in the war on terror and that 'we are winning the war', more often than not they resort to the tired but trusted explanation: 'It is a war like no other.' In one sense they are right; it is a war like no other. But every war is a war like no other. At the same time, in a strange way every war is like every other war (in some respects at least). In recalling the military horizon and the European conquest of savage peoples around the globe, in the fighting of the war on terror there are some precedents and parallels in the characterisation of combatants from conflicts past.

An equally important question is: is the war on terrorism really a war at all? If we follow the widely acknowledged criteria set out by the eighteenth-century Swiss philosopher, Jean-Jacques Rousseau, then it is probably not a true war. Rousseau wrote: 'War is not a relation between men, but between states; in war individuals are enemies wholly by chance, not as men, not even as citizens, but only as soldiers; not as members of their country, but only as its defenders.' In essence, a state's enemies can only be other states, likewise

its friends and allies. But Rousseau's account seems a bit dated in a time of an open-ended war on terrorism in which one of the protagonists is not a state. Despite appearances and the various claims and counter-claims being made, this is far from a clear-cut issue, there is more grey than black and white. The war on terror is being fought on the ground; it is being fought in Afghanistan, but no longer against Afghanistan. It is being fought in Iraq, but not necessarily against Iraq (if there is still such a country or nation). And from time to time it is being fought in London, and Madrid, and Bali, and wherever else the terrorists choose to turn into a battlefield.

According to Wheeler terrorism should be recognised as a form of warfare, albeit a primitive form of warfare with close connections to guerilla modes of war. The question of whether terrorism and the concomitant war on terror are truly a war is an important one that goes right to the heart of the legal status of the combatants and the obligations imposed upon them. The issue of the legal status of combatants is in turn directly relevant to the connection of terrorism and guerilla warfare with primitive warfare. From Ancient Greece and Rome onwards soldiers have been legally defined enemies accorded certain rights and protection. Those recently adjudged 'enemy combatants', on the other hand, find themselves in a kind of legal Neverland, first at Camp X-Ray and then Camp Delta in Guantanamo Bay, Cuba; devoid of the legal rights and privileges afforded prisoners of war.

One of the critical questions arising out of the savage war thesis is one that was posed by the American jurist Quincy Wright in the wake of the French bombardment of Damascus in October 1925. Wright asked: 'Does international law require the application of laws of war to people of a different civilization?' Wright firmly believed so, despite the fact that the Ancient Greeks thought the rules of war inapplicable to barbarians, or that the Israelites are known to have been especially ruthless in warring with certain enemy tribes, or that medieval Christendom acted in a similar manner in wars with infidels.

On the other side of the argument, Eldridge Colby, a captain in the United States army, thought Wright missed a critical point; that civilizational differences exist. They are based, he argued, 'on a difference in methods of waging war and on different doctrines of decency in war. When combatants

and non-combatants are practically identical among a people, and savage or semi-savage peoples take advantage of this identity to effect ruses, surprises, and massacres on the 'regular' enemies, commanders must attack their problems in entirely different ways from those in which they proceed against Western peoples'. Setting aside the dubious point being made here, just one of the obvious problems with this line of argument is: how can one knowingly take advantage of something they do not know exists? And even if they do know—as today's terrorists do—does this give the other party the right to turn their back on a set of laws they claim to abide by and which are held up as a marker of their civilization. Colby concluded that as 'devastation and annihilation' is the principal method of warfare of savage tribes, civilized Westerners are justified in adopting 'more brutal' methods as they go about devastating and annihilating the uncivilized hordes.

In an address to the nation from Fort Bragg in North Carolina on 28 June 2005, George W. Bush further underlined the notion that tactics employed by parties to a conflict reflect their degree of civility: the civilized supposedly chivalrous and noble; the uncivilized barbarous and cowardly. President Bush declared: 'We see the nature of the enemy in terrorists who exploded car bombs along a busy shopping street in Baghdad, including one outside a mosque. We see the nature of the enemy in terrorists who sent a suicide bomber to a teaching hospital in Mosul. We see the nature of the enemy in terrorists who behead civilian hostages and broadcast their atrocities for the world to see. These are savage acts of violence.'

Bush went on to proclaim: 'We're fighting against men with blind hatred—and armed with lethal weapons—who are capable of any atrocity.' These modern savages, like the Amerindians and the Viet Cong before them, 'wear no uniform; they respect no laws of warfare or morality'. When combined with the mantra that the war on terror is a 'war like no other' against an enemy that is 'pure evil' and refuses to 'fight by the rules', the inference is that this war demands tactics and means of warfare that are necessarily more brutal than might otherwise be employed, possibly even torture.

Terrorists have indeed committed atrocious and criminal acts. As have those fighting the war on terrorism. For the former, atrocities and acts of callousness are prescribed policy. The latter insist that they are isolated

incidents committed by a handful of rogue troops; such as the shameful events at Abu Ghraib prison in Iraq. But they still happened and continue to happen. There have also been many other unsavoury incidents and instances, such as widespread 'collateral damage'; enough to suggest that there is something more going on than isolated incidences of brutality. The point to be made here is that just because one side, the terrorists, choose to abandon the rules of fair play, that does not mean that the other party to the conflict has to follow suit and adopt more brutal and indiscriminate means of warfare. Let alone resort to torture.

It seems that what is really going on here is that in response to atrocities or acts of savagery by an uncivilized foe—the first being 9/11 and then Madrid and Bali and London, and then Bali again and on the ground in Iraq everyday—the West, in the name of Civilization and the battle of good over evil, is seeking to justify a turn to any means necessary, including more brutal means of warfare. A war against such an evil and unscrupulous barbarous enemy cannot be won by conventional means; rather we must fight fire with fire—so the argument goes. Or at least this is what we try to convince ourselves. But perhaps it is more the case that those more base instincts and uncivilized means have been at our disposal and employed by us—the West—all along. History seems to suggest as much. All too regularly we dehumanise our enemy—the uncivilized savage who lacks virtue, chivalry, is beyond the pale materially and morally—in order to justify to ourselves the recourse to the more brutal means we claim to abhor and claim to be antithetical to our very ideal of Civilization. The dichotomy between the civilized, uniformed, chivalrous combatant and the opportunistic, treacherous barbarian is a false one. Perhaps there is something in the argument that all people, fundamentally 'good' people included, are capable of doing bad or evil acts given certain circumstances. Just as 'bad' people are capable of random acts of kindness.

As Immanuel Kant reminds us in *Perpetual Peace*, 'even some philosophers have praised it [war] as an ennoblement of humanity, forgetting the pronouncement of the Greek who said, 'War is an evil inasmuch as it produces more wicked men than it takes away.' We would also do well to take note of Walter Benjamin's poignantly made point that 'there is no document of

civilization which is not at the same time a document of barbarism'. As with every other war that has been or will ever be fought, no belligerent has a monopoly on the barbarism and terror of war. The war on terror is no exception.

1 March 2007

THE AGE

HUGH WHITE

Don't mention the bomb

The government has not yet responded to the Switkowski report on Australia's nuclear future, *Uranium Mining, Processing and Nuclear Energy – Opportunities for Australia?*, that was released in December. Debate on its recommendations about nuclear power generation has moved into a higher gear with news that senior businessmen, some with strong Liberal Party affiliations, have formed a company to develop nuclear power stations in Australia. But that is not the only issue raised by Dr Switkowski and his colleagues that deserves attention. There is the question of Australia's nuclear weapons capability as well.

Come again? Who is talking about nuclear weapons? Well, no one is, directly. But the question is there, lurking just below the surface, and it is one that needs to be addressed. While much of the Switkowski Report focused on mining and power generation, one chapter considered whether Australia should develop its own uranium enrichment capability. That might allow us to make money, by transforming our uranium into nuclear fuel for power reactors before exporting it. But, whether we like it or not, it would also be a first, big step towards building nuclear weapons.

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Let's sketch the physics first. The hardest part of a nuclear weapons program is getting hold of the fissile material—the uranium or plutonium that, brought together in a critical mass, produces the explosive chain reaction of a nuclear blast.

Enrichment is the process that turns natural uranium into fissile material, or into reactor fuel. Uranium comes in two isotopes, the rare U235 and the much more plentiful U238. Natural uranium has only around 0.7 per cent U235. Enrichment increases that proportion. To make fuel for nuclear power reactors, uranium has to be enriched to 3–5 per cent U235. To build a weapon, uranium needs to be enriched to over 90 per cent U235. But the process and equipment used in each case is the same.

Enrichment requires very complex technology that costs a lot of money and time to build. So much so that mastering the process (or the equivalent process needed to produce fissile plutonium) is by far the biggest and most time-consuming hurdle on the road to nuclear weapons for any aspiring nuclear-weapons power.

But once the fissile material is available, designing and building the bomb is relatively straightforward. So we should be quite clear about this—building an enrichment plant would take Australia a huge step closer to the capacity to build nuclear weapons. Once an enrichment plant was operating here, an Australian government would at any time have the option to expel the international inspectors and turn the plant over to producing weapons-grade highly enriched uranium. It would shorten the lead time for Australia to build its first bomb from ten years or more to perhaps two years or even less.

Don't get me wrong. I do not for a moment believe the government is considering such a step. It has seen uranium enrichment purely as a commercial proposition, to allow Australia to add value to the uranium we export. And according to the Switkowski report, the commercial prospects for enrichment are not all that encouraging.

Nonetheless the report did recommend that the government should not discourage development of an enrichment capability if the commercial prospects improved. And it hardly touched on the strategic implications of an enrichment industry in Australia, beyond warning that 'any proposed

domestic investment would require Australia to reassure the international community of its nuclear non-proliferation objectives’.

That is a bit of an understatement. Look at Iran. This week in London the UN Security Council’s five permanent members have met to consider tougher sanctions against Iran, because Iran has refused to abandon its uranium enrichment program. Iran claims that it wants to be able to make fuel for its nuclear power program. The Security Council believes Tehran wants to build nuclear weapons, and they are almost certainly right.

Australia, of course, is not Iran. We are among the world’s most active opponents of nuclear proliferation. Our credentials as a supporter of the Non-Proliferation Treaty (NPT) are impeccable, and the safeguards to prevent our own uranium being diverted into others’ nuclear weapons programs are the most stringent in the world. Who could suspect Australia of wanting to build nuclear weapons?

Well, for a start, anyone with a sense of history. In the 1950s and 1960s Australia actively, if sporadically, tried to acquire nuclear weapons. And we were among the last and most reluctant adherents to the NPT when it was concluded in the early 1970s. At that time, with American engagement in Asia apparently diminishing after Vietnam, Australia was focused on the need to look after itself in Asia. In these circumstances, as one classified Defence Department analysis said in 1974, ‘a necessary condition for any defence of Australia against a major power would be the possession by Australia of a certain minimum credibility of strategic nuclear capability’.

Luckily the three decades since then have been the most peaceful in Asia’s long history, and the idea that Australia might need nuclear weapons of its own quickly receded into the realms of wild improbability. As long as Asia stays that way, a nuclear weapon for Australia will stay wildly improbable. The question, of course, is what happens if Asia changes? The growth of China and India, the strategic re-emergence of Japan, and uncertainty about America’s post-Iraq trajectory all raise doubts about whether the next 30 years will be as peaceful in Asia as the last 30 years, or will instead be as turbulent as the 30 years before that.

If Asia slips back into the kind of strategic turmoil we saw in the 1950s and 1960s, how sure can we be that Australia might not again look at the

nuclear option? And more to the point, how sure could our neighbours be? Here is the real danger to Australia of a flirtation with uranium enrichment. No matter what we think, and no matter what we say, a decision to develop uranium enrichment capability in Australia would be seen by our neighbours as a short cut to nuclear weapons. We would need to think very carefully about how they might respond.

Amid the highly charged debate on nuclear power plants, the government might want to spend a moment working out its attitude to enrichment as well. To endorse the Switkowski report's tolerant approach to the issue risks looking either naive or devious. And it could be quite dangerous.

10 May 2007

THE AGE

HUGH WHITE

US China nuclear arms race

Since the end of the Cold War we have stopped worrying about nuclear war between the major powers, and have turned our concern to proliferation among rogue states and terrorists. But the big states still have big nuclear arsenals, and they are not standing still. Both the US and China are steadily developing their strategic nuclear forces. As they do so, they risk slipping into a destabilising competition for nuclear advantage against one another which could affect their wider relationships, and threaten peace and stability in the Asia-Pacific region. This matters a lot to Australia, and there is something simple that we can and should do about it.

America today is upgrading its missiles and warheads to make them more accurate and destructive, and building a national missile defence system.

Published as 'The new nuclear arms race', *The Age*, 10 May 2007.

That raises the possibility that in future the US could destroy most of China's missiles in their silos, and the rest after they were launched.

Chinese strategists therefore worry that before long the US will be able to threaten nuclear attack on China without fearing nuclear retaliation in return, laying China open to nuclear blackmail over issues like Taiwan. To avoid that, China is determined to maintain its 'minimum deterrent'—the capacity to land at least one or two warheads on the cities of an adversary in retaliation for any attack. It will therefore respond to American plans by building more new missiles, so it has enough to ensure that some would survive a first strike and penetrate American defences.

The risk is that the US will respond to China's moves by further expanding its offensive and defensive systems, and China will then further expand its nuclear forces in turn. A classic arms race may thus begin.

This carries two grave dangers. First, strategic nuclear competition between Washington and Beijing would amplify suspicions and stoke hostility, making the already potent competitive elements in the relationship harder to manage. That would help lock them into an adversarial relationship that would destroy our hopes for the Asian century—the hope of a peaceful, integrated and prosperous Asia-Pacific.

Second, present trends increase the risk of nuclear war between the US and China. The balance of strategic forces which the two countries' nuclear programs seem likely to create may be inherently unstable. The longer they go unchecked, the greater the risk that, in a crisis over an issue like Taiwan, one side or the other might be pushed across the nuclear threshold by fear that the other might strike first.

This all has grave implications for Australia, but there is something we can do about it. The solution is simple, but not easy. Short of the elimination of nuclear weapons, the US and China can moderate their nuclear competition and reduce the risk of nuclear war by reaching an agreement about the size and nature of each other's nuclear forces, offensive and defensive. The key to such a deal would be limits on US national missile defences and Chinese intercontinental and submarine-based forces, set at levels that gave Beijing an assured capacity to respond to any US first strike by putting a few—but only a few—warheads on US cities.

A deal like this would require much of both sides. It would require China to accept that the US will remain by far the stronger nuclear power, and preclude China from entering full-scale nuclear competition with the US in future. It would require the US to forgo the option of using its nuclear superiority to pressure China in a crisis, and accept instead that US cities must remain subject to Chinese nuclear attack.

Perhaps even more fundamentally, it would require the US and China to change the way they relate to one another, adjusting to the new realities and responsibilities of their relative power over coming decades. For China, this means accepting the responsibilities and restraint required of a major power in the international system. For the US, it means learning to treat China as an equal partner in the management of regional and global affairs, one whose legitimate interests and perspectives need to be respected and accommodated to strengthen peace and stability.

Australia can play a part here. We should try to push both sides to reach this kind of agreement. No need to play the go-between: Beijing and Washington do not need us to do their negotiating for them. But they do need to be nudged toward recognising that such an agreement is possible, and that the benefits to both of them, and to the rest of us in Asia and beyond, outweigh the costs and risks. We could promote that message both to governments and beyond government circles, helping to inform wider public opinion in each country. And we could try to build regional support for the proposal among other nations in Asia: their interests are as closely engaged as ours.

Of course we might fail. Even so we'd stand to gain. By promoting the idea we'd send powerful messages about Australia's views on the future of the international system in Asia. Australia accepts that as China grows its power needs to be respected and accommodated, and its role as a regional leader recognised—including by Washington. That is an important message to send to Washington.

Equally we believe that China's growing power brings growing responsibilities, including the willingness to see its power circumscribed by the demands of wider stability and peace. Even a failed campaign for an arms control agreement between them would get their attention and ensure they know what we think on an issue that is vital to us. What do we have to lose?

Defence and Security

December/January 2007

THE DIPLOMAT

HUGH WHITE

The Howard doctrine runs into the sand

If anything deserves to be called the Howard doctrine, it is the policy the Prime Minister has adopted towards Australia's small neighbours over the past three and a half years. His is a big, bold, simple idea: Australia's interests in the stability of our neighbourhood, and our responsibilities towards the people who live there, require Australia to do whatever is necessary to ensure security and effective government among the small states on our doorstep, and Canberra is prepared to commit large numbers of people and large sums of money over long periods to do it.

Nothing in John Howard's foreign policy bears his own imprint as clearly as this policy of muscular engagement in Australia's immediate neighbourhood, because nowhere else has Howard taken such bold and decisive steps in such a new and daring direction, so much on his own initiative. Success or failure will figure largely in future historians' judgements on his achievements in foreign policy. Sadly, the verdict so far is failure.

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Howard's basic idea is right, reflecting ideas about Australia's permanent interests that go back to the dawn of Australian foreign policy in the 1870s. Australia does have important and unique interests and responsibilities in the stability, cohesion and good government of our small neighbours, and does need to do more to support them. But the government does not yet have a coherent idea of how to go about achieving the laudable goal it has set itself. So far the Howard doctrine has been applied in Papua New Guinea, Solomon Islands and East Timor, and we seem to be failing in all of them.

The Enhanced Cooperation Program in PNG was thrown out after barely a year; in East Timor Australia seems to have accepted responsibility for sustaining law and order while the political differences are resolved, without any prospect of progress towards their resolution; and in Solomon Islands the Regional Assistance Mission to the Solomon Islands (RAMSI) has become bogged down and is now in danger from petty squabbling between Honiara and Canberra.

Not that it was ever going to be easy. Finding ways to help our neighbours fix the deep-seated weaknesses that beset their systems of government was always going to be an immensely difficult task. The first step to success in such a task is to recognise how hard it is, and commit energy and imagination to creating a comprehensive strategy to overcome the problems. So far Canberra has taken an easier route: it just sends soldiers and police.

It is easy to see why Howard would look first to the Australian Defence Force (ADF) and the Australian Federal Police (AFP) to implement his doctrine of regional engagement. The International Force in East Timor (INTERFET) deployment in 1999 remains perhaps the apogee of his prime ministership, and its success gave Howard the confidence to adopt intervention as a policy doctrine. In a sense, he has been trying to repeat the success of INTERFET ever since. It also fits the post-9/11 zeitgeist, especially the Anglo-American emphasis on armed force as an instrument of policy.

However as we are seeing in Iraq, Afghanistan and Lebanon, armed force has limits as an instrument for state building. Of course our neighbours do suffer significant security problems, and they need to be dealt with, but the means we are using to deal with them are ineffective, and even if they were more effective they would not address the deeper sources and causes of state

weakness. As we have seen since the ADF returned to East Timor in May, military forces like ours are not at all suited to the task of keeping the peace in the face of persistent low-level civil unrest. Australia's forces are still highly specialised institutions; they are organised, equipped and trained primarily for intensive combat against other military forces. Against gangs of lawless youths they are relatively powerless, unless they are to kill them.

Soldiers do have a role. There are some circumstances in which the clear threat of military firepower can effectively defuse a situation, and the ability to deploy and sustain forces in remote or difficult conditions can be invaluable. But for these tasks, numbers count more than anything, and the ADF is too small—even with the two extra battalions announced recently—to play a major role in keeping the peace in a place like East Timor over the longer term, let alone in the much bigger and more complex environment of PNG.

Police of course are more suited to these tasks, and the government has rightly placed increased emphasis on building police capabilities for deployments in the neighbourhood. But numbers here are a problem too: policing is a very labour-intensive business, and the numbers Australia can send abroad is too small to make a big difference to the policing capacity even of a small country. And on top of that there are real questions about culture and language—especially language. It is an obvious truth, but often overlooked, that one cannot function effectively as a policeman in a community whose language you cannot speak. Australia does not have nearly enough policeman speaking Pidgin, Tetum or other neighbouring languages to be able to play much of a role in the direct maintenance of law and order.

But even if we had ten times as many soldiers and police, this would not be the right approach. The security problems that we see in places like East Timor, Solomon Islands and PNG are only the symptoms of a much deeper malaise—weakness in the social, political, economic and institutional fabric of the countries and communities themselves. Any effective effort by Australia to address our small neighbours' problems needs to look beyond the security questions to these deeper issues. In Solomon Islands, for example, it was always clear that suppressing the violence that had plagued Honiara was

going to be the easiest part of RAMSI's job. The hard part is the root and branch reform of government institutions and political culture. The same is true elsewhere.

The harsh fact is we do not know how to do this. There is no model anywhere in the world for a country like Australia to follow in playing an intimate role in trying to help a vulnerable state rebuild its government structure and political system. It goes well beyond the traditional conception of development aid, involving much more intrusive engagement in the internal affairs of a neighbouring country. But there seems no alternative; we know that normal aid does little to help these countries, and without some new form of help the prospect of state failure is very real.

This is the task that the Howard government must take up. The Howard doctrine will be a failure if all we do is send troops and police. It needs a lot of energy, application and imagination, as well as a lot of money, to think up new ways to engage, and new ways to help address the deeper problems. Some work has already been done, in the AusAID White paper for example, but this is much bigger than aid, and needs a much broader approach. One vital step, both in substance and as a symbol, would be the establishment of a labour mobility scheme to bring Pacific Islanders to Australia to work.

But first, and most important, we need to change the way we manage Australia's relationship with our closest neighbours. The sad farce of Australian diplomacy with Solomon Islands and PNG in recent months over the Moti affair, culminating in the squabbles of the South Pacific Forum in Suva, shows that until Canberra can work more effectively with the countries we are trying to help, failure is inevitable for the Howard doctrine.

5 December 2006

THE AGE

HUGH WHITE

Future challenge in regional threats

These past five years have been strange ones in defence. We have spent more and more money building Australia's armed forces, but it has become less and less clear what we are building them to do. The least serious result is that a lot of money is being wasted. The bigger risk is that we are losing the opportunity to build the forces we will need in coming decades.

The confusion began in 2001. For a while after 9/11 it seemed that the main job of the Australian Defence Force (ADF) would be to hunt terrorists, but it soon became clear that the war on terror was going to be a job for police and intelligence agencies rather than soldiers. Then we thought that the Bush doctrine was the shape of the future, and that the ADF needed to be reshaped to support US forces as they fought for freedom against the axis of evil. That too has proved an illusion. There will not be any more Iraqs for a while.

So now we have a chance to go back to basics and sort out more clearly what the ADF should be built to do. We find a complex picture. For the last fifteen years, two big, long-term trends have been reshaping Australia's strategic environment and redefining our defence needs.

The first is the flood of 'new' problems which arise not between national governments but within them—state failure, terrorism, separatism, insurgencies. Since 1990 these problems have kept the ADF busy in places like Somalia and Cambodia even before 9/11, and of course in Iraq and Afghanistan since then. But more recently this trend has hit Australia hardest in our own backyard. We have found the ADF increasingly responding to instability in the immediate neighbourhood—today East Timor, Solomon Islands, Tonga and Fiji; tomorrow, perhaps, PNG.

The second trend is very different. China's and India's economic growth, and Japan's hunger for a bigger strategic role, is transforming Asia. This puts strain on the Asian international system—the set of balances and understandings that have kept the peace in Asia for the past 30 years, and underpinned its stability and prosperity. Asia's strategic balance, and America's role in it, will need to adapt to the new power realities. Maybe that will happen peacefully—and certainly everyone has good reason to try to make sure it does. But there is a risk—perhaps quite a serious risk—that the process of adjustment will be turbulent—and even violent. That would mean a return to the 'old' security agenda of conventional wars.

Our defence policy needs to respond to both these trends. The ADF will be repeatedly called upon to do more of the kinds of 'new' operations they are undertaking right now across the 'arc of instability' and beyond. But it also needs to be prepared as best it can for the possibility that the Asian century turns out to pose a lot of 'old' threats.

Both these trends pull us away from the close focus on the defence of Australia that characterised our defence policies in the 1970s and 1980s. To meet either type of threat we need forces that are designed to deploy beyond our shores. We have moved beyond the 'defence of Australia'. That is why the tired old debate between 'expeditionary' and 'continental' strategic concepts has been irrelevant. The question now is not whether our forces are built to defend wider interests, but which interests do we defend, and how?

Here we face deep problems, because the two big trends that shape our defence needs pull in diametrically opposed directions. The 'new' security threats demand that we build a bigger and lighter army. For peacekeeping, stabilisation and policing functions in places like Dili we need lots of boots on the ground, well armed but lightly armed.

But if Asia turns turbulent, that kind of defence force will do little for us. To defend Australia's interests in Asia we need high-tech air and naval forces. Despite our ANZAC traditions, Australia's army will always be too weak to protect our interests in Asia. It's the ADF's air and naval forces—which makes us today the major maritime power south of China and east of India—that will give Australia strategic weight if the international order in Asia breaks down in coming decades.

Obviously we need to do a bit of both. We need a bigger light army to help sustain order in our immediate neighbourhood, and we need the air and naval forces to sustain Australia's strategic weight in conventional conflict. That costs a lot of money. The government has been generous with defence, but the sad fact is that every dollar can only be spent once, and unless we spend each dollar very carefully, we cannot afford to meet both strategic imperatives at a realistic price.

Recently we have been spending the dollars rather carelessly. Heavy Abrams tanks, big vulnerable new destroyers, huge amphibious ships, and giant transport aircraft have all been planned or bought without careful thought as to whether they make the most cost-effective contribution to our long-term defence needs. What we need to do is define as clearly as possible how we aim to meet both the old and the new security threats, and shape our forces much more carefully to maximise the ADF's strategic weight in relation to each of them.

1 March 2007

CANBERRA TIMES

WILLIAM MALEY

To start with, know your enemy

Dr Brendan Nelson has been having a rather rough time as Defence Minister. His is genuinely a portfolio in which loose lips sink ships, at least metaphorically. Thursday 22 February was quite a day for him. Not only did he create headlines with the statement that 'there is no such thing as victory in Iraq'; he also attracted the ire of some veterans of the Second World War campaign on the Kokoda track with the assertion that 'today we face

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something which is no less a risk to our culture, our values, our freedoms and way of life than was presented to us in 1942'. This was, to put it mildly, a startling claim, not only because it reflected a profound misunderstanding of the existential threats Australia faced in 1942, but also because the Iraq War is a war of America's and Australia's choice in a way that the war in the Pacific in 1942 certainly was not.

Partially buried by these dramatic utterances was another statement from Dr Nelson on 22 February, this time in a doorstep interview, which attracted less attention but in a way deserved more. 'The most important thing we've got to understand', he claimed, 'is that the same people that are causing all of the problems in Afghanistan are the same people that are causing problems in Iraq. We're fighting the same people in two different places.' Does Dr Nelson truly believe this? If so, we are heading for serious trouble. The most striking features of the conflicts in Iraq and Afghanistan are not their points of similarity, but their differences. A government that is blind to these differences runs the risk of badly botching its response to each country's genuine but distinctive problems.

In both countries, the 'enemy' forces defy simple description. Iraq is now enmeshed in a nasty civil war, a label that even the neoconservative former US diplomat John Bolton is now prepared to use. However, its roots lie in a logic which should surprise no informed analyst. Saddam Hussein's regime saw a Sunni Muslim elite in a position of domination over a population of which approximately 60 per cent were Shi'ite Muslims. The overthrow of Saddam held out the promise of both a permanent minority status for the Sunnis as a whole, and retribution against those Sunnis who had been members of the Baath party. The ill-considered de-Baathification decrees of the US-run Coalition Provisional Authority simply confirmed the fears of militant Sunnis, and drove them into classic patterns of 'spoiler' behaviour. This was entirely predictable.

It is cheaper and easier to be a wrecker than a builder, and the obvious targets for Sunni wreckers were members of the Shi'ite community. Leaders of the Shia of Iraq—knowing that their numerical weight positioned them to benefit from electoral processes—showed great patience in the face of both the Sunni spoiler tactics, and the inability of the coalition forces or the

Iraqi government to offer them protection. But eventually, their patience ran out, and Shi'ite militias lifted their own levels of activity, with some support from circles in the Shi'ite state of Iran. However, the impact of Iran's support should not be exaggerated. A US National Intelligence Estimate in January 2007 concluded that 'Iraq's neighbours influence, and are influenced by, events within Iraq, but the involvement of these outside actors is not likely to be a major driver of violence or the prospects for stability because of the self-sustaining character of Iraq's internal sectarian dynamics'.

The confluence of the Sunnis' spoiler behaviour, and the disgust of Shia at the failure of the US and its local allies to protect Shi'ite interests, has produced a very complex nationalist underpinning for political violence: large numbers of both Sunnis and Shia would like to see the coalition leave. In a survey conducted from 1–4 September 2006 by the Program on International Policy Attitudes, 71 per cent of respondents stated that they would like the Iraqi Government to ask the US-led forces to withdraw within a year, 78 per cent believed that the US military in Iraq was provoking more conflict than it was preventing, and 61 per cent approved of attacks on US-led forces. It is this reality—the loss of confidence on the part of a large slice of the Iraqi population—that makes the Coalition's position so dire, much more than any threat from 'terrorism'. Some Sunni terrorists with attachments to al-Qaeda have indeed found their way to Iraq, and engaged in spectacular acts of barbarity, but to treat Iraq as the 'front line' in a 'war on terror' is to misread Iraq's complexities very badly.

It is rather Afghanistan that faces the main threat from globalised terrorism, and it is there that resources should be concentrated to halt al-Qaeda's recrudescence. It is simply mind-boggling that the US blundered off into Iraq before ensuring that al-Qaeda had been substantially obliterated in its hideouts on the Pakistan–Afghanistan border. Yet in contrast to what one finds in Iraq, the bulk of the Afghan population remains notably supportive of an international presence, and civil war has been avoided even though the population is also segmented on complex lines. The enemy here, while some use the expression 'neo-Taliban', is better seen as al-Qaeda in alliance with the old Taliban leadership, aided by a number of paid helpers doing its work in Afghanistan's southern provinces, and by networks of supporters

in Pakistan. Its core leaders sit nearby in Pakistan, and Pakistan provides a safe haven for its operations. Here is perhaps the key distinction between Afghanistan and Iraq. The Iraq conflict is largely generated by an internal dynamic. Afghanistan's troubles are largely driven by an external force and by the foreign state from whose territory it is able to operate.

There is a role for Australia to play in Afghanistan, and an enhancement of Australia's contribution there will enjoy bipartisan support. It is also time to put pressure on Pakistan, which is acting far more destructively in Afghanistan than Iran is in Iraq. But building wider support for a good cause like the Afghanistan commitment is not helped by linking it in any way to the Iraq fiasco. The people of Afghanistan deserve better.

24 May 2007

THE AGE

HUGH WHITE

Anzac, our Achilles heel?

Is there an 'Australian Way of War'? Many people think there is. John Howard is one of them. He and others see in our long national record of military achievement a pattern from which we can draw some guiding principles about the ways Australia has used armed force in the past. They see those principles as reflecting characteristically Australian attitudes and values. And they believe those principles provide a sound guide to the future. They believe that as long as our defence policy conforms to the enduring elements of the Australian way of war, all will be well.

It is not hard to see what this Australian Way of War looks like. Drawing on the experience of the Boer War, the two World Wars, Korea, Vietnam,

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and now Iraq and Afghanistan, we can see a pattern emerge. Our 'Way of War' is to send armed forces to support our allies in major land operations anywhere in the world in which our shared interests (often described as our values) are threatened. That is supposed to guarantee that threats closer to home never emerge.

This idea of an Australian Way of War has been promoted over the past few years by some of those in the defence debate who want to move beyond the 'Defence of Australia' policy of the 1970s and 1980s by going back to the policy of the 1950s and 1960s. It is, in essence, an argument for Australia to return to Forward Defence. Not surprisingly, it finds a lot of adherents in the army, and those many Australians who see today's army—rather than the wider Australian Defence Force (ADF)—as the true heirs of the ANZAC tradition.

They have at least partly persuaded John Howard, who told a defence conference in Canberra last year that his approach to defence 'reflects this government's fundamental reassertion of the strategic importance of the army...in Australia's strategic culture'. Put like that, how could one disagree? The pull of the past on current policy can be a powerful thing, especially in an area like defence where policy choices connect so immediately with deeper questions of national identity and shared memory. That makes it seem quite natural that Australia's future defence policy should be guided by an image of an Australian Way of War with its roots in the ANZAC legend. But will the future conform to our nostalgic images?

As it happens, history itself provides a neat lesson on this issue. In 483 BC a fierce debate arose in Athens about defence policy. Eight years earlier Persia had been decisively defeated by the Athenian army's phalanxes at Marathon. But Athens was a small city-state, while Persia was a mighty empire. It was clear the Persians would return sooner or later, with a much bigger army. One party wanted to rely on the old phalanxes to defeat the Persians again. The other, led by a remarkable man called Themistocles, concluded that next time Athens could only beat the Persians if they met them at sea, so he wanted to build up the navy.

His opponents, the 'Men of Marathon', were immensely proud of their military traditions. To them, the Athenian army was more than a mere

instrument of policy. It was the essence of Athenian nationhood. In the words of one historian: 'They came to embody every known or remembered conservative virtue: selfless public service, old-fashioned morality, hard work, thrift, respect for one's parents and the gods.' John Howard's kind of people, in other words.

The Men of Marathon saw all this threatened by Themistocles' naval plans, and they saw no reason why the traditional Greek way of war should not keep working in the future as it had in the past. In the end Themistocles had his way, and he was proved right when the Persians returned a few years later. The mighty Athenian fleet built by Themistocles led the Greeks to victory over the Persians at Salamis in 480 BC. Many see the victory as the foundation of modern Western civilisation.

The moral for us today is quite simple. To see the ANZAC tradition as fundamental to Australia's identity is one thing: to fashion our defence policy in its image is quite another. For the past few years the government has been trying to recast a sensible, forward-looking strategic policy that realistically addresses Australia's strategic needs and assets in the mould of the great Australian Imperial Forces of the last century. But the empire is now long gone, and the result is strategic incoherence.

Australia does have permanent, or at least enduring, strategic interests. But the way we may need to use armed force to protect those interests will have to change and adapt to meet new circumstances. The Asia of this Asian century is a very different place to the Asia of 1915, and the way of war that worked then will not necessarily work again.

All this matters because working out the kinds of forces that can best protect our interests in the Asian century is an urgent task. The government has been generous—in the last year, including this month's federal budget, the government has given defence an extra \$41 billion to spend, on top of a decade of steady increases. But to spend that money wisely takes a clear sense of the future, not a nostalgic glance at the past.

2 June 2007

CANBERRA TIMES

CLIVE WILLIAMS

Big Brother keeps a growing eye on the British

Having just spent five weeks working in England, Scotland, Ireland and France, I feel George Orwell would be impressed with Big Brother progress in the United Kingdom.

Increasingly, people at the local level in the UK feel disenfranchised from local decision-making or in expressing concerns about the intrusive security measures, justified by the heightened threat of terrorism. This is particularly the case in England. One senior British police officer recently publicly expressed misgivings about the level of anti-terrorism monitoring and its impact on relations with local ethnic communities in particular.

I spent some time with relatives at Otley in Yorkshire. There, some of the more mundane local concerns were the planned arrival of a Sainsbury's supermarket, proposed fencing off of the local river, and the prospect of new intelligent wheelie bins.

Sainsbury's would be the third supermarket in a small town, and could sound the death knell for small local shops, already under pressure from two large supermarkets and nine charity shops. Local council concerns are seemingly being ignored at the higher district planning level.

The proposal for fencing off the river comes after a survey by the Royal Society for the Prevention of Accidents, a bureaucracy apparently looking for things to do. Locals feel that the river should be left alone except for an area near a children's playground. The predominant local view is that avoidable risk is part of life, and one should learn to cope with it.

The intelligent wheelie bins are to ensure that people do the right thing with recycling. It is another example of monitoring and regulation instead of education. (One local observed that he already finds his bin halfway down the

street after collections. With intelligence, it is likely to abscond completely.) Another odd decision was to give the houses on one side of an alley wheelie bins, and the other not—on the ground that access was too restricted for the garbage truck. Getting stupid decisions overturned seems really difficult, as is communication with government agencies more generally. Odd decisions are often conveniently blamed on the European Union.

On the security front, the level of monitoring is intense. This is partly justified by the ease with which the large number of persons of interest can move around the UK and Europe.

My impression of the Pakistani migrants in England is that they will continue to be the main source of Britain's security problems. They do not seem to have integrated well and have a continuing high level of travel to Pakistan and its more radical northeast areas. (By one estimate, Pakistan received 400,000 visits from British residents in 2004.) The US is now considering excluding Britons of Pakistani descent from their visa-free entry program. Fortunately Australia has no parallel migrant situation, but it does make one wary about some migrant groups.

Britain has embraced security and enforcement technologies with a vengeance. Most visibly obvious are the CCTVs, number plate readers, and speed cameras (capable in some areas of averaging speed over a distance).

The average city-based Briton is observed by CCTV at least 30 times on the way to work. CCTV density is about one per ten people. Even a local Greek Cypriot restaurant in Leeds had a notice saying patrons were subject to CCTV coverage—presumably to ensure they paid. People are so habituated to such coverage that they seldom object.

The Automatic Number Plate Recognition (ANPR) system is claimed to be able to run database checks on 3,600 plates per hour, on vehicles travelling at speeds of up to 100 miles per hour. The system plays an important security role.

Speed cameras are both fixed and obvious, or hidden in innocuous white vans. It is a nightmare for a visitor because you can easily enter the poorly signposted 30 miles per hour (48 km per hour) zones without realising it.

One sensible security development has been the quiet establishment of the Fixated Threat Assessment Centre (FTAC) in October 2006. It aims to plug a security concern over potentially violent individuals fixated on prominent people. In Australia, this is a responsibility that has in the past fallen between the police and ASIO, with neither wanting to take it on. The FTAC has been set up at Scotland Yard as a joint initiative between the Metropolitan Police, the Home Office and Department of Health. FTAC does not operate under new law. However, the Government is separately trying to pass legislation that might allow potentially dangerous persons who do not suffer from recognised mental illnesses to be held in secure accommodation.

Surprisingly, in some areas where regulation does seem warranted, there is less inclination to apply it. The motorways often grind to a halt due to the sheer volume of traffic. Most of the motorway traffic is one-person vehicles. A high-occupancy vehicle requirement for the fast lane would seem to be a sensible option. This would also push more motorists onto the excellent train system.

Sad to say, British TV seems to have dumbed down to the point where even the BBC's news coverage is poor. ITV's news is better, but one gets very little international news coverage from any of the free-to-air channels. Certainly nothing comparable to the SBS offering in Australia.

By comparison with the UK, Australia tends to strike a reasonable balance in its approach to the application of public security and civil liberties, but a heightened level of threat, as in the UK, could soon put the balance under pressure.

10 July 2007

THE AUSTRALIAN

PAUL DIBB

The death knell of the defence of Australia?

Following John Howard's major speech on defence last week, the question is: has the policy of giving priority to defending Australia been replaced by a return to the discredited forward defence doctrine of the Vietnam era?

In my view, the answer is clearly no. But the government would seem to have us believe that it now gives the same priority to the Middle East as it gives to our own region as an area of vital strategic interest. The Prime Minister also proclaims he has abandoned 'the narrow, misguided and ultimately self-defeating nostrum' of the defence of Australia and replaced it with an Australian Defence Force (ADF) designed as an expeditionary force. If that is the case, will we now have the ability to operate more credibly as America's closest ally after the UK; that is, to contribute substantial expeditionary military forces, as distinct from modest niche capabilities?

In fact, there is a great deal of difference between John Howard's declaratory utterances on these matters and the much more carefully nuanced and sober words in the Defence Update 2007 document, which the Defence Minister Brendan Nelson, released at the same time last week.

Let's look at some specific examples. On the defence of Australia, Defence Update 2007 says although a conventional attack on Australia seems very remote, we must be able to defend ourselves and to be seen by friends and neighbours alike as taking this responsibility seriously. It concludes that the defence of Australia therefore remains a fundamental task and that the government's enduring strategic priority is to keep Australia safe from attack or the threat of attack.

First published as 'Homeland still more vital than the Middle East', *The Australian*, 10 July 2007.

The paper goes on to assert it is the government's fundamental policy that our armed forces must be able to defend Australia without relying on the support of allied combat forces. We must be the sole guarantor of our own security. If Australia was ever to be directly threatened, 'our allies may well be engaged elsewhere, and unable to assist'. Let's be brutally clear: this is orthodox defence of Australia doctrine, unchanged for more than 20 years.

With regard to our immediate region, Defence Update 2007 argues Australia must be able to limit the options of potential adversaries in our 'area of paramount defence interest'. It says it is essential that the ADF has the capacity to act decisively on security issues and be able to deter, and if necessary defeat, any aggressive act against Australia or our interests in that area.

The area of paramount defence interest includes the archipelago and the maritime approaches to Australia to our west, north and east, the islands of the South Pacific as far as New Zealand, our island territories and the southern waters down to Antarctica. This is the area where Australia must be able to play a leading defence role and it is significant that the document observes we should not plan to rely on our friends and allies to assist in military operations in it.

Again, there is nothing new in this at all. It was the second strategic objective, after ensuring the defence of Australia and its direct approaches, in John Howard's 2000 defence white paper. And it is noteworthy that the description of an 'area of paramount defence interest' is precisely the same as the definition of the 'area of direct military interest' in the Hawke government's 1987 defence white paper. There it is stated that this area constitutes about 10 per cent of the Earth's surface and that we need a force-in-being to defeat any challenge to our sovereignty and specific capabilities designed to respond effectively to attacks within it.

Beyond our immediate region, Defence Update 2007 states quite explicitly that Australia cannot expect to predominate as a military power nor ordinarily would it act alone. It observes that Australia will aim to make 'significant ADF contributions' to coalition operations further afield but only where our national interests are closely engaged. It goes on to say that Australia's national interests are not spread uniformly across the globe, but nor do they decline in proportion to the distance from our shoreline.

This is the only really new bit of defence policy and it is the place where the assertion is made that our strategic interests are vitally engaged in the Middle East, as well as in the Asia–Pacific region. There can be no doubt, of course, that there are deeply worrying strategic trends in the Middle East and that this part of the world will continue to be an area of abiding global strategic concern.

But who believes that we will ever make a decisive military contribution to the security of the Middle East, as distinct from our own region? I acknowledge, of course, we do make important niche military contributions to our American ally in the Middle East and that they are seen as being of critical political importance to Washington.

But the fact remains that even under the Howard government there are clear limits to our military capacity. For example, when the US invaded Iraq in 2003 the UK, with three times our population, contributed 20 times as many troops. And even with John Howard's substantial investment in increasing the size and capabilities of our army, we would struggle to sustain permanently a combat battalion in Afghanistan or Iraq—let alone the brigade we had in the Vietnam War. This is especially so given the volatility, and potential demands on the ADF, of our immediate region.

There is one other important error to be corrected: that is the assertion that the previous government's defence of Australia doctrine was narrowly defined so that the ADF's force structure was determined only by 'our coastline and its near approaches'. In fact, the narrow concept of 'continental' defence was specifically rejected in the 1987 defence white paper in favour of the concept of defence self-reliance based on an extensive zone of direct military interest where we must be able 'to mount operations to defeat hostile forces'. Why else would you order the Collins class submarines?

So, putting to one side political spin, there's a great deal more continuity than change in our current defence policy. My understanding is that the government has agreed that it is the defence of Australia and our area of paramount defence interest that will remain the primary determinants of the ADF's force structure. If that is the case, we should have the firm basis of a bipartisan defence policy. That is in all our interests.

International Relations

6 February 2007

THE AUSTRALIAN

PAUL DIBB

What are the real existential threats?

Our contemporary era is beset with existential threats, or at least that's what the politicians and much of our media would have you believe. First it was the terrorist events of 9/11 in the US, which allegedly changed the world forever and poses a greater threat to our existence than the former Soviet Union.

Now it is global warming that faces the Earth's ecosystems with collapse and threatens the very existence of the human race. In between, we've had allegations that the world is going to run out of oil and that the world's population growth is unsustainable.

As Owen Harries has observed, it is the parochialism of the present to believe that our contemporary situation confronts us with threats like no other and that our world is the most dangerous, the most unpredictable and the most complex in history. In my view, the notion that today's future

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is more unpredictable than yesterday's is very much overdrawn. The habit of prophesying doom testifies less to intellectual lucidity than to abject pessimism.

Every era undoubtedly has its threats and its preoccupations, and ours in that sense is no different. But we desperately need to keep a sense of perspective in this world of 24/7 media reporting that elevates everything to crisis proportions.

Historically, mankind has always brooded about the apocalypse and a cataclysmic end to the human race. The coming end of the world has been a persistent theme in most religions.

In the eighteenth century Malthus foresaw that the world would collapse from overpopulation. Then we had the prediction by Marx that the capitalist world would inevitably succumb to the dialectical victory of communism. And for a while that looked feasible given its success in the USSR and elsewhere. But it is communism, not capitalism that has now been swept into the dustbin of world history.

In the 1960s, we had a repeat of the population time-bomb theory by Paul Ehrlich, who predicted that the battle to feed humanity would fail in the 1970s and 1980s as hundreds of millions of people starved to death. In fact, the success of the Green Revolution brought about an embarrassing surplus of food.

And in the 1970s the Club of Rome predicted that the world would run out of oil and coal, as well as key minerals such as copper and aluminium. Yet here we are in the middle of a resources boom. And although there is current concern about when the limits to oil production might be reached, higher prices will probably stimulate oil exploration and alternative energy sources.

Of course, human beings are also contrarians and, from time to time, it has been fashionable to predict an endless peace because of marvellous technological breakthroughs and growing economic interdependence. This was the case in the early 1900s, which was the last period in world history when economic interdependence was as marked as it is now. Then, as now, eminent scholars predicted that it would make no economic sense for the world to go to war. And yet in 1914 it did, provoked by a terrorist assassinating the Archduke Ferdinand in a place called Sarajevo.

Now once again we are being told that war between states is an obsolete idea and that conflict between the major powers is unthinkable. All that matters foreseeably, you understand, is the so-called long war on terror. Yet, in the near future the world is going to experience one of the most remarkable shifts in the balance of power in its history.

The centre of gravity of world power is shifting from Europe and the North Atlantic to Asia. The rise of China and India, and the fact that Asia has never experienced a strong China and a strong Japan at the same time, risks a collision of great power interests. This will also occur at the same time as a resurgent Russia is reappearing on the world stage as the world's largest producer of natural gas and the second largest producer of oil. The US will be reluctant to relinquish its natural leadership of world affairs to what some see as this new multipolar balance of power.

But how serious are the two threats that are currently being posed as existential ones: Islamic terrorism and the proliferation of nuclear weapons, on the one hand, and global warming on the other? It is hard to take seriously the assertion that the threat from terrorism is the decisive ideological struggle of the twenty-first century, as President Bush would have us believe. The world has been plagued by terrorism before and while the current bout of extreme Islamic terrorism looks more dangerous, the same could have been said about the anarchists in the late nineteenth century (who assassinated eight heads of state including President McKinley of America).

Even if Islamic terrorists use a nuclear weapon it will not be the end of the world. Let us not kid ourselves that it in any way would compare with the destruction brought about by a nuclear war between the US and the Soviet Union, which would have killed 160 to 180 million people in the first 24 hours. Indeed, the nuclear winter effect of all-out nuclear war could well have meant the end of the human race. No terrorist threat is comparable to that.

I must emphasise that this is not to underestimate the effect of the successful use of a nuclear device on an American or European city. It would be devastating, not least psychologically, and in the case of the US it would most likely draw a response in kind—particularly if it could track down the source of the fissile material. The spread of nuclear weapons know-how to rogue states and terrorists is undoubtedly a key issue of our time.

So, what of global warming? How catastrophic and, indeed, likely is it really? I agree with Alan Wood, the economics editor of *The Australian*, who acknowledges that global warming is taking place but questions how fast it will proceed, what its causes and consequences are, and what can, or should, be done to attempt to mitigate it. In any case, if global warming proceeds to worsen its impact will be perceptible and it will not be an abrupt catastrophe like war.

Contrary to some views, the national security implications will also take a considerable time to discern. I find it hard to envisage that nations will go to war over the effects of climate change. In any case, foreign threats are unlikely to be major for a country in Australia's geographical location. Of course, there may well be other dangers to our broader national security interests. A serious consideration for us to contemplate would be the degradation of Australia's relative economic and strategic strengths in a world where the impact of global warming would be far from even.

April/May 2007

THE DIPLOMAT

HUGH WHITE

Australia, Japan and the strategic future of Asia

In the diplomacy of defence agreements, wording and substance matter less than presentation and context. The awkward prose of the Joint Declaration on Security Cooperation signed between Japan and Australia in March tells us little of its real significance, and provides no basis for judging whether it will serve Australia's interests or not. For that we need to look at the way it has been presented, and the wider strategic circumstances which have shaped its inception and reception.

Published as 'Welcome to arms', *The Diplomat*, April/May 2007, pp. 72–4.

Viewed in isolation the Joint Declaration is a modest but sensible step towards building a suitable and sustainable defence relationship between two countries with much in common. But viewed in context, the way it has been presented, the agreement is much more significant, and much less sensible. It marks a small but distinct step away from an optimistic vision of Asia's future towards a darker and more pessimistic view—a view of Asia divided into mutually antagonistic camps, riven by a struggle for primacy between the US and China. In this darker vision of Asia's future, Australia's chances of prosperity and security are sadly circumscribed. Despite pressure from Washington, John Howard, to his credit, has long repudiated it. It is puzzling, and disappointing, that he should step towards it now. It is reassuring that Kevin Rudd has not.

Let's start with the substance of the Joint Declaration. Australia has been slowly but steadily building a defence relationship with Japan ever since the end of the Cold War, when it became clear that Japan's role in Asia's strategic future would change. Since then Australia has discreetly but consistently encouraged that process, becoming the strongest supporter on this side of the Pacific of Japan's cautious re-engagement in security affairs, though practical cooperation between our defence establishments has been slight. Nonetheless, viewed in isolation, it makes good sense to provide a policy framework for further developments along the same lines by negotiating a joint declaration that simply endorses and codifies the kind of cooperation that has developed so far, and foreshadows more of the same. Read the text of the Joint Declaration signed last month, and that is what you seem to see.

But that is not the way it was presented. We can start with the signatures at the bottom of the page. The starkest sign that much more was going on here than the text suggests is the fact that the Joint Declaration was signed by the two prime ministers. This was quite unnecessary—it could have been signed by defence ministers, or foreign ministers, or even by senior bureaucrats. But Australia's Prime Minister flew all the way to Japan just to sign it. That by itself sends a signal—surely deliberate—that this piece of paper is more than it seems.

Then there is the strange way in which John Howard spoke of Australia's view of where the agreement might lead. Arriving in Tokyo for the signing, he specifically foreshadowed that the declaration might lead eventually to a full-scale security treaty between Australia and Japan. Apparently well-sourced press reports said that Canberra had in fact proposed a full-scale security treaty with Japan, and foreshadowed that, while the idea of a treaty had been dropped, the Joint Declaration would contain clauses very close to the wording of ANZUS itself. This last claim turned out to be quite wrong, but the fact that a journalist close to the Prime Minister was encouraged—presumably by someone in government—to print it amplifies the impression that we were meant to read more into the agreement than the words of the text itself. A routine piece of bilateral defence diplomacy was presented as the establishment of a major new strategic alignment between Japan and Australia, closely integrated with each country's bilateral alliance with America.

And that matters because of the strategic context. Asia today is in the process of a profound change, as it deals with the strategic consequences of its economic success.

At the heart of this, of course, is the future relationship between China, Japan and the United States. Durable peace in Asia requires these three countries to forge a new set of relationships that accommodates the reality of China's increased power and influence, the return of Japan to the strategic arena as a normal and legitimate power, and the enduring influence and engagement of the US. For that to happen, everyone is going to need to make difficult and unpopular concessions and accommodations. The incentives to do so are high, because the prosperity of each country—and the world as a whole—depends on it. But that is not enough to guarantee it will happen. To assume that is to assume that great and successful countries can't make great and tragic mistakes. History, including recent history, shows us otherwise.

In each country there are those who argue that it is safest to assume the worst and start now to build the forces and alliances that would be needed if cooperation gives way to rivalry or worse. Some indeed believe that such rivalry is inevitable. In America and Japan this takes the form of proposals that the US, Japan and other like-minded countries should form an alliance of democracies in response to China's growing power and influence. They

would call this 'balancing', but in China it would be seen as 'containing'. The effect is the same whatever you call it. In the US this policy has been promoted for over a decade by the neoconservatives like Vice-President Dick Cheney, but it has broad appeal on all sides of American politics. Few Americans accept that in future peace in Asia will require Washington to deal with Beijing much more as an equal. Many assume that it is better to balance or contain China than to accommodate it. Many in Japan, so much closer to China and with such a bitter historical legacy, agree.

This is the context in which Australia's modest little defence agreement with Japan takes on its true significance, and against which it must be judged. Presented, as it has been, as the first step in building a new trilateral security alignment between Tokyo, Canberra and Washington, this agreement signals that Australia endorses the view that Asia's future will be a return to strategic competition and rivalry between blocs organised on ideological grounds. Howard himself underlined this when he curtly dismissed the suggestion that Australia might reach a similar agreement with China, saying that would not be possible because China is not a democracy. Cheney spelt it out in bold type when he raised the idea of bringing India into the tent to make a quadrilateral alliance of democracies.

Of course we do need to be wary of the risk that a powerful China will use its power in ways we cannot accept. But the art of good strategic policy is to hedge against such risks in ways that do not make them more likely. That is hard, because defensive measures can so easily look aggressive from the other side of the fence. Times of power transition like the present call for especially delicate diplomacy to avoid the twin pitfalls of provocation and appeasement. Until now, John Howard has managed this rather deftly. He has moved Australia much closer to China, and pointedly refused to follow American leads in seeing China as a threat, while giving strong support to America's continued engagement in Asia and a bigger role for Japan. With the Joint Declaration on Defence Cooperation with Japan, that deft touch has deserted him. The Prime Minister has said that it is not directed against China. We cannot tell whether he believes what he says or not. If he does, he shows himself ill-informed about the context in which he is operating, and the plain implications of the actions he has taken.

21 May 2007

CANBERRA TIMES

RICHARD MULGAN

Is power-sharing the answer?

For democracy watchers, the last week produced some striking contrasts. US Vice-President Dick Cheney visited Baghdad and repeated US demands that the Shia-dominated al-Maliki government allow a greater role to its Sunni opponents. There was no hope for stability in Iraq, he argued, unless both sides were fairly represented in the government. Meanwhile, back in Washington, President Bush was vetoing Congress's bill to limit the commitment to the Iraq war and was steadfastly refusing to give an inch to his political Democrat opponents. Not much reconciliation and political compromise at home! A case of do as I say not as I do?

Another potent image was from Northern Ireland where the former mortal enemies, Ian Paisley and Martin McGuinness, joined forces in a power-sharing government, to international applause from other democratic governments. Meanwhile, in the home of parliamentary democracy at Westminster, the opposition Tories kept up their relentless attack, as the ruling Labour party dealt with the destabilising effects of a change in leadership. Closer to home, the Australian foreign minister, Alexander Downer, also welcomed the historic coalition in Northern Ireland. At the same time, his own government set out to destroy the credibility of the Rudd-led ALP opposition. No chance of a Howard-Rudd power-sharing government here!

The reasons for the apparent paradox are clear. Stable democracies such as the United States, Britain and Australia, can tolerate adversarial politics without tearing themselves apart. Though opposing political parties may be fighting to destroy each other, they do so against a background of shared values and constitutional constraints. In the famous words of the British politician Lord Balfour, which also apply to Australia and other similar countries, the British

people are 'so fundamentally at one that they can safely afford to bicker'. In our democracies, the majority winner takes all in an election victory but in practice this 'all' amounts to comparatively little. The defeated opposition remains intact and its members need not fear for their lives or property. Those who voted for the losing side keep their jobs and continue to go about their business undisturbed. The opposition party is free to regroup and prepare for the next election.

In less united countries, however, such tolerance of opponents' basic rights cannot be assured. Hence the insistence on power-sharing as a means of protecting all major interests and garnering support for the regime. Indeed, many stable democracies involve considerably more power-sharing than in the majoritarian Anglo-Saxon model. For instance, in continental Europe, the Benelux countries and Switzerland, with long-standing linguistic and religious divisions, developed conventions of guaranteeing each major group a share of power. At the same time, their general political culture became more consensual, out of fear that excessive adversarialism would threaten hard-won political stability. Significantly, it was the European Union observers in the recent East Timor elections who warned about the intemperate language and behaviour of the contestants. For Australians, so long as the election was fairly administered, aggressive electioneering did not appear to matter. No doubt such behaviour would remind them of home and seem entirely normal.

Anglo-Saxon leaders, in spite of their adversarialism at home, call for compromise and power-sharing in places like Iraq and Northern Ireland. They thus recognise that majoritarian, 'winner-takes-all' democracy is not suited to chronically divided societies. But even the more consensual, power-sharing approach is not easily achieved and requires considerable mutual tolerance. Centuries of bloody conflict were needed for European countries such as Belgium and Switzerland to forge their political settlements. Moreover, while all political sides may join together in a time of crisis (even Westminster governments have supported grand coalition in time of war), the problems of normalisation will be acute. All democracies, even those based more on coalition and consensus, need means of articulating important differences and offering alternative leaders to the voters. Paisley and McGuinness may be smiling together now but the unity cannot last. Nor should it. The trick is to recognise disagreement without falling apart. Much harder than it looks.

28 May 2007

CANBERRA TIMES

BRIAN HOCKING

Public diplomacy: changing the rules of the game?

Lord Beaverbrook, one of the great ‘press barons’ of the twentieth century, used the columns of his newspapers to berate the British Council for sending what he disparagingly termed ‘clog dancers to Outer Mongolia’. Governments have always been sensitive to such criticism for the returns on this kind of activity have not been easy to demonstrate. Times have changed, however. Around the world diplomatic services are putting what is broadly termed ‘public diplomacy’—a concept that is broader than cultural diplomacy—high on their agendas. Currently, the Senate Foreign Affairs, Defence and Trade Committee is conducting an enquiry into ‘the nature and conduct of Australia’s public diplomacy’.

It’s not hard to see why. The pattern of events following the attacks in the US in September 2001 and in other locations since then, have focused attention on the significance of image and ideas in world politics, particularly in terms of what are often portrayed as a fundamental clash of ideas and values. This demands that the conduct of diplomacy be reappraised.

But there are other factors reinforcing the growing concern with public diplomacy—not least developments related to globalisation and regionalisation. Both of these are associated with familiar ideas: the erosion of boundaries, not simply territorial but also those separating agendas and policy arenas, together with a proliferation of actors seeking a voice on the world such as non-governmental organisations. The business of diplomacy is far more complex than it was even a quarter of a century ago.

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This helps to explain the growing concern with public diplomacy which is often presented as a 'new' mode of conducting diplomacy associated with the concept of 'soft power'—the argument that governments can exercise power by processes of persuasion and 'attraction' as well as through the use of military (or 'hard power'). Of course, in the case of the US, the problem is that the soft-power logic hasn't worked. Why?

The answers are complex and partly lie in the logic (or lack of it) in simplistic versions of soft-power argumentation. First, as has been pointed out repeatedly by critics both inside and outside Washington, public diplomacy alone can't make bad policy good policy. Second, people can unbundle messages: because you are attracted to the products of American culture, that doesn't necessarily mean you feel any more sympathetic to US foreign policy.

But underpinning this lies a broader question: namely, appreciating what public diplomacy really means in terms of the changing environment in which policy has to be conducted. There are two interlinked but distinct agendas subsumed under public diplomacy ideas and discourse. The first flows from a fairly traditional conception of what diplomacy is and how it operates. Informed by the post-9/11 security agenda, it recognises that governments need to communicate with broader constituencies if they are to achieve their policy objectives.

This is not a 'new' diplomacy but a reworking of well-established images of what diplomacy is—namely, a strongly hierarchical and intergovernmental set of processes in which publics are treated as foreign policy tools. The agenda here focuses on how foreign ministries and their diplomatic networks can do their job better.

Hence the debates about the level of resources applied to cultural diplomacy programs; better coordination of these resources; the need for enhanced private sector collaboration; the ability to respond quickly to image-related challenges when they arise (the concept of 'surge capacity' which is the soft-power equivalent of the military rapid reaction force). And in terms of the day to day work of diplomatic services, the watchword is 'mainstreaming' or ensuring that techniques relating to public diplomacy are infused into the very blood of the international policy machinery—not least at overseas posts

where one US report calls for 'dynamic representation' in terms of active strategies for outreach and advocacy.

These are significant issues in terms of how the foreign policy machinery is adapting to one facet of a changing environment. Of course they invite a question which overlays this activity as it does others in the work of foreign ministries, preoccupied as they so often are with performance measurement—how do you know what you do adds value or achieves its objectives?

However, there is an alternative perspective to the public diplomacy debate. This involves something more attuned to a 'new' diplomacy although using such a term is misleading since it suggests a discontinuity with the past. Nevertheless the business of diplomacy in its totality is undergoing significant change. Part of this involves a shift from an emphasis on hierarchies to the management of complex policy networks involving a diversity of groupings. In many policy areas, governments are required to construct (or help to construct) and manage coalitions of interests which can bring specific resources to a policy area. This 'catalytic' diplomacy recognises the diffusion of skills and resources that such processes demand—and the importance of the skilled diplomat within them.

This does not deny the significance of the more traditional set of concerns set out above, but it does put them in a rather different context, viewing them as part of the changing fabric of world politics and not primarily as a foreign policy tool. Understanding this helps to explain some of the problems that governmental public diplomacy strategies confront. For example, the feedback loops in the communications processes are far more complex. Because it is now harder to isolate domestic and international public constituencies, both have to be seen as part of a seamless web. A failure to do so can make the work of the negotiator far harder.

This highlights another key issue: 'who are we really targeting?' The point here is that modes of contemporary diplomacy are linked. Much of the logic of public diplomacy is that influencing domestic constituencies outside your own national arena has as its ultimate goal influencing the behaviour of policy elites through internal political pressure. In this sense, the real issue is not constructing a 'new' diplomacy but blending the old with the new in a seamless web of action.

In turn, that poses problems for the rules of state-based diplomacy, not least defining the ground rules under which public diplomacy strategies can be deployed in another country without offending its government. And it's important to recognise that governments aren't the only groupings seeking to use public diplomacy. A few years ago, Greenpeace led a highly effective campaign directed to the Canadian forest industries in which it succeeded in branding Canada as the 'Brazil of the North'—galling for a country priding itself on being a good international citizen!

As the Senate enquiry into Australian public diplomacy considers its report, it might well reflect on the underlying changes which are making public diplomacy such a significant issue, how it fits into the broader perspectives of world politics and what the implications are in terms of the evolution of diplomacy in Australia as elsewhere. There's more in this than Lord Beaverbrook's clog dancers.

7 September 2007

PAJAMAS MEDIA

ROBERT AYSON

Hu's on first

The arrival in Sydney of the world's two most powerful leaders for the Asia-Pacific Economic Cooperation (APEC) summit presented a stunning contrast. President Bush said that the United States needed Australian troops to stay the course in Iraq. Premier Hu Jintao signed a deal which showed that China needed Australia's natural gas. Lots of it. In fact, the biggest single export deal in Australian history.

Posted in *Pajamas Media* on 7 September 2007, http://pajamasmedia.com/2007/09/hus_on_first.php.

The United States offered something in return for Mr Howard, a loyal ally who faces the prospect of political defeat in Australian federal elections in a few weeks' time. Australia has been given a treaty promising easier access to the US defence market and freeing up the exchange of military equipment and specifications. Bypassing the cumbersome layers of American defence industrial bureaucracy is a great idea. Putting that idea into practice will be much harder. It will not make the US–Australian alliance relationship, already one of the world's closest, that much tighter.

Mr Hu's gift to Australia (along with the many billions of dollars in cold hard cash which will come from the gas sales) was two giant pandas. In return he received a discourse in his own language from Kevin Rudd, the Mandarin-speaking opposition leader destined to be Australia's next Prime Minister. From the Howard government Mr Hu also got the promise of an annual security summit with Australia. This demonstrates that Australia still values broader cooperation with East Asia's rising great power at a time when Beijing is concerned that an alliance of democracies is being built against it. This so-called 'democratic quad', a pet project of Japan's embattled Prime Minister Abe, also includes the United States, Australia and India, in a descending order of enthusiasm.

At the same time as the Asia–Pacific's leaders are gathered in Sydney, American, Japanese, Indian, Australian and Singaporean armed forces are exercising together near the Bay of Bengal. This show of military might comes hot on the heels of a major exercise involving Chinese and Russian forces under the auspices of the Shanghai Cooperation Agreement (SCO). If things are not handled well, the quad and the SCO may become the foundations of two rival blocs splitting Asia into somewhat hostile camps.

For Australia this could end the dream of maintaining simultaneously warm relations with its old ally the United States and a rising China, recently anointed as Australia's number one trading partner. Despite its need to balance China's power, this scenario would not play well for the US either. For the region the best way forward is direct collaboration between the US and China, harnessing their ability to cooperate which has been demonstrated in the six-party talks on North Korea's nuclear weapons program.

But even if extending that cooperation is possible, there will always be a good amount of competition between Washington and Beijing. And it will be played out in venues like APEC. The early money suggests that China has won this particular round. Hu's big pockets for Australian energy supplies have beaten Bush's passion on Iraq.

Economics

November 2006

APEC ECONOMIES NEWSLETTER

DOMINIC MEAGHER

Energy, environment and economic growth in China

Growth of Chinese energy demand is possibly the most important single factor in the global energy market today. Total energy consumption in China is forecast to rise to a possible 2.1 billion tons of oil equivalent (TOE) by 2020, and 2.7 billion TOE by 2030. The International Energy Agency (IEA) forecasts significant increases in China's oil demand, to be met predominantly by imports, placing considerable stress on international markets. For 2006, IEA expects 38 per cent of the increase in world oil demand to be from China. How reliable are these projected energy demand scenarios, and what factors are likely to affect the pace and structure of Chinese energy demand in the coming decades? What will be the environmental impact of the

This is a digest of conclusions from the second in the series of China and East Asia Energy Issues Conferences held at ANU on 29–30 August 2006. The Conference was organised by the East Asia Forum in the Crawford School with financial support from the International Centre of Excellence in Asia Pacific Studies.

growth of Chinese energy consumption and what strategies can China put in place to ensure harmony between energy security, economic growth, and environmental sustainability: 'the three Es'?

Energy security

Energy security is used as a justification for government intervention in energy markets. This particular justification for market intervention relates to two elements of energy risk, supply risk and price risk. Price security is usually taken to mean attempts to maintain low energy prices. But a strategy that tries to maintain low energy prices will, rather than ensuring energy security, guarantee supply shortages and over-consumption of energy. Price strategies must focus not on low prices, but on prices that accurately reflect expected long-term marginal costs in the world market. Supply security relates to worries about disruptions to supply. Strategies trying to address this problem typically focus on fuel type and supplier diversification. China is investing large sums in alternative energy sources, especially hydro, nuclear and clean coal technologies. It is also trying to enhance its diplomatic relations with a variety of oil exporting countries. China's international procurement of energy has become an international diplomatic issue as Western governments fear a Chinese national strategy directed at tying up international energy supplies. But Chinese energy firms appear more intent on procuring technology and maximising profits, taking advantage of whatever subsidies are available in the process.

Growth and energy demand

There is considerable uncertainty about the direction of China's energy demand over the next few decades. Under alternative scenarios, demand is forecast from 1.7 billion TOE by 2020, to as much as 2.1 billion TOE. Whatever scenario turns out to be right will have major implications for China's energy intensity (the energy required to produce a unit of GDP) a measurement which the Chinese government takes extremely seriously. Its 11th five-year plan sets the target of reducing energy intensity by 20 per cent from 2005 levels by 2010. Reaching that target depends crucially on the pace and structure of economic growth. The government target of, over the next decade, doubling the level of

GDP in the year 2000 requires a 7.2 per cent annual GDP growth. With this rate of growth, reducing energy intensity by 20 per cent may be feasible. But recent studies forecast growth of up to 9.2 per cent, which will make achieving the targeted reduction in energy intensity considerably more challenging. China needs to find a way of de-linking economic growth from energy consumption if it wishes to meet both the economic growth and energy-use targets proposed in the 11th five-year plan.

Environmental sustainability

Energy use in China is not just a Chinese issue: it impacts local, Asian regional and global environments as well. Abundant endowments of coal provide the majority of China's energy. However, coal is pollution intensive and much Chinese coal is unwashed, containing high sulphur components, and is a large producer of carbon emissions. A successful sustainability strategy must include two approaches: fuel substitution and technological progress. China has focused considerably on substitution, promoting high-profile hydropower projects (notably the Three Gorges Dam). However, most of China's hydro resources are in the southwest, far from major consumption areas in the east. Gas will also play a crucial role in providing sustainable energy, especially as a substitute for oil. But 96 per cent of China's known fossil fuels are in the form of coal, and coal will therefore continue to play a key role in China's energy strategy well into the future. China must invest heavily in international collaboration, the acquisition of technology from abroad as well as its own research and development if it is to become a world leader in clean coal technologies. Creating effective incentives to stimulate the necessary investments requires establishing the right pricing mechanism. Investments in clean coal technology and fuel substitution will only occur in sufficient magnitude when greenhouse gas emissions and other pollutants are covered by tradable long-term permits.

Conclusion

Energy security, economic growth and environmental sustainability all depend in one way or another on the effective operation of energy markets. China is currently making serious, deliberate, and positive moves toward

implementing effective energy price and market mechanisms. While increasing reliance on international markets (including for coal) is reducing domestic resistance to price reforms, the response of the rest of the world to these efforts is also important. Choosing to perceive China as an energy threat will be at the expense of opportunities to capitalise on the vast potential market in China, both from energy diversification (especially the expansion of nuclear and gas markets) and from new technologies (especially clean coal and coal liquification) which can lift both energy efficiency and sustainability. While much work needs to be done (particularly on fuel substitution, technological transfer and development), the right efforts on all sides will lead to more favourable outcomes for energy security, environmental sustainability, and economic development.

February 2007

APEC ECONOMIES NEWSLETTER

JEFF FOUNTAIN

Broadband development: one policy size does not fit all

In this fast-paced information and communication age, there is little doubt that broadband technology fails to register as a significant priority for governments worldwide. The distribution of video, voice and data through high-speed, wired or wireless-based broadband networks is indeed critical for government in its facilitation of economic development and universal e-health, e-government and e-education service reach.

Yet, broadband development has varied in many countries because of different content service demand and infrastructure in the ground, related to population density, distance and topography, and industry competition. Therefore, given these supply and demand scenarios, what has public policy's role been in shaping the broadband development process?

Research conducted at The Australian National University (ANU) in Canberra has investigated this question, drawing on the experiences of Japan, South Korea and Australia. While large-scale cross-country empirical analysis raises some doubt about the overall impact of policy, the case-study research shows that in these three countries, politics plays a significant role. The political process is broadly similar in nature in that local, regional and central government manoeuvring and negotiations play an important part in shaping public policy design and outcomes. This is where the similarities end.

Public policy has in fact played a diverse role in broadband development in these countries. South Korea's broadband-related policies have had a more quantifiable impact on broadband supply and demand diffusion than that of the market. In particular, the government's Informatised APT Certification policy has ensured that new apartment blocks are installed with broadband-ready connections, and public subsidisation of Korea Telecom's (KT) ADSL broadband backbone network extension has also played a large part in overcoming geographical divide issues.

Dovetailing with this latter policy, the government subsequently implemented a personal computer diffusion policy that has provided computers to low-income and rural households. As a result of these policy measures, South Korea has one of the highest broadband penetration rates in the world.

Japan has also relied on public policy to drive broadband infrastructure supply, in the midst of competition from mobile phone networks. Japan fell behind early in the broadband development game with its reliance on a capacity-plagued, ISDN-based network. The government is now increasingly focused on building fibre-to-the-home (FTTH) networks. Although infrastructure extension has played a large role in Japanese broadband policy measures, these supply priorities have overridden public service benefit in anticipating the demand for the actual use and applicability of broadband. As a result, broadband penetration is significantly lower in Japan compared to South Korea. Interestingly, community groups have spawned amidst this lack of policy attention to demand, and have contracted with the non-state sector to ensure grassroots broadband service needs are met.

Australia, on the other hand, has faced problems related to broadband infrastructure supply. The use of competition and universal-service type policies

has had less impact on the country's diffusion rate even in the midst of other broadband take-up options. Statistically, broadband take up has been largely influenced by geographic, economic and institutional factors. Broadband take up has been specifically attributed to the high rate of urbanisation, income and education levels, and political and economic freedoms.

What sometimes seems to be lost in the public policy design process is the importance of broadband to private sector communication firms. Broadband is increasingly vital to the private sector in its pursuit of the advantages to be derived from multimedia, voice, data and video network service convergence.

Convergence has created a vibrant and competitive broadband environment between telecommunication and cable firm platforms and communication service firms that piggyback on top of the infrastructure. These companies are now entering into each other's traditional service markets and are also providing bundled internet, voice, video and data services. This rapidly changing competitive environment provides the public sector with avenues to promote cost-efficient and quality broadband networks, namely through partnership.

Research at the ANU has also identified a possible model whereby public and private sector incentives in broadband backbone service can converge through public private partnerships (PPP). PPPs are the 'new kid' on the infrastructure, network-services block. How they apply to broadband networks depends on a clear understanding of what they are, and what they are not: traditional, contracting out, government procurements. PPPs have been widely described as any form of informal or formal public and private relationship. This is incorrect in the case of broadband and other utility sectors.

Public private partnerships are in fact contractual agreements between a public and private party whereby both the infrastructure construction and operation are the responsibility of one firm or of consortia. Risks are shared by both government and business at the construction and operations stages, and the infrastructure is owned by the private sector for the length of the contract or life of the asset. Because broadband backbone infrastructure will extend into high-cost areas, the private sector will require financial guarantees during, or at the end of, the contract.

Government must also partner with incumbent infrastructure providers who benefit from legacy infrastructure. Partnering with an incumbent, universal, legacy infrastructure holder is more cost effective than with a competitive infrastructure provider because of the minimal essential facility ownership required for broadband service upgrades. It should also be noted that 'last mile' related infrastructure operation needs to be subsidised by the government.

Japan has begun to align public and private interests in contracting its FTTH roll-out on a community-led, and increasingly regional, basis. However, South Korea, where a dynamic broadband competitive market exists, has yet to venture down this path. As a stark contrast to these two countries, Australia does not have a sufficiently dynamic broadband competitive market to leverage these common interests effectively within a PPP-type agreement.

What these case studies show is that broadband development has resulted from a multitude of factors, and that public policy has had a varying role in this development. But public policy will play a bigger role in future efforts to align public and private interests by way of partnership, thereby balancing cost and quality issues more satisfactorily.

April 2007

APEC ECONOMIES NEWSLETTER

PHILIPPA DEE

Economics, multinational corporations and Pacific regionalism

Both trade and investment are crucial to economic development. Foreign direct investment (FDI) adds to the stock of resources for development. Trade provides the discipline of competition, ensuring the most efficient use of the resources available.

This article is a summary of a paper presented to PAFTAD 31 conference on Multinational Corporations and the Rise of a Network Economy in the Pacific Rim, Guadalajara, Mexico, 10–12 June 2006.

It is now recognised that FDI and trade respond jointly to the complex forces of economic geography. Both phenomena reflect a tug of war between forces that tend to promote geographical concentration and those that tend to oppose it—between ‘centripetal’ and ‘centrifugal’ forces. And the key players making the balancing decisions are multinational corporations.

The result is a complex pattern of production and trade across the Asian region. Victor Fung, a Hong Kong clothing and textile executive, has described how his company may divide the production process for a particular clothing order into six or more steps with suppliers in different countries throughout the East Asian region. His company will routinely re-optimize the supply chain for each new order. Moreover, firms such as his may invest in some countries, and deal at arms length in others. This behaviour is better described in network terms, rather than as simple horizontal or vertical FDI.

Key research questions are whether this network model of trade and FDI is unique to the East Asian region, and whether the investment provisions of preferential trade agreements (PTA) have had any influence on these investment decisions of multinational corporations.

Recent empirical research by the author suggests that there could be a pattern of FDI unique to the Asian region. This is not because FDI into the region falls neatly into any single archetypal pattern. Rather, as a result of the high degree of economic integration in East Asia, FDI in the region responds relatively clearly to the forces of economic geography, unimpeded by other considerations.

One key driver is comparative advantage. Productive activity may be dispersed to take advantage of relative factor endowments. The labour-intensive parts of the production process go where labour is relatively abundant, while other parts of the production process go elsewhere to take advantage of capital, or the speed or quality of logistical and other services critical in the production chain.

But comparative advantage is mitigated by considerations of scale economies and transport costs. Where economies of scale are strong, it may be cheaper for production to be concentrated in one spot. If transport costs are high, it may be better for production to occur close to markets, rather than where resources are cheap.

FDI in the Asian region follows complex patterns. But it appears to respond quite clearly to these economic fundamentals.

Globally, FDI also appears to be influenced by the investment provisions of Preferential Trade Agreements (PTA). But there are important differences across regions.

The clear winners from the investment provisions of PTAs appear to be the 'big eight' countries that are also the main sources of accumulated FDI—Canada, France, Germany, Japan, the Netherlands, Switzerland, the United Kingdom and the United States. Interestingly, individual countries in the 'big eight' group do not appear to suffer from investment diversion when other source countries sign investment provisions into PTAs with third parties.

Smaller developed countries appear able to attract FDI by signing investment provisions into PTAs. However, this effect can be offset by provisions in the same agreements that boost forms of service delivery (cross-border trade, movement of people) that substitute for FDI. More importantly, the small rich countries appear to suffer investment diversion when their source countries sign investment provisions into PTAs with third parties.

The African and South Asian groupings of developing countries were not major players in signing PTAs over the estimation period (1988–97). But they were largely insulated from any investment diversion when source countries signed PTAs with third parties.

Although many countries in the Latin American group have signed NAFTA-style PTAs with strong investment provisions, this appears not to have attracted FDI into the region.

Finally, the phenomenal growth of FDI into the Asian region appears not to have been driven by the investment provisions of PTAs signed with their bilateral source countries. But the network nature of regional investment within Asia means that individual members have been insulated from any investment diversion when their source countries have signed PTAs with third parties. This is because the investment that the sources make in third countries can be a general equilibrium complement to bilateral investment within the overall Asian network.

The findings suggest that in Asia—where FDI and trade are sufficiently driven by fundamentals, in a way that takes advantage of fine divisions of comparative advantage, but subject to considerations of economies of scale and transport costs—the resulting network patterns of investment do not need to be boosted by investment provisions of PTAs. Further, the network patterns can be sufficiently strong to insulate a country from investment diversion when the FDI source countries play the PTA game elsewhere.

This is in strong contrast with the findings for Latin America. When FDI and trade are not sufficiently driven by fundamentals, the investment provisions of PTAs signed with source countries have little real effect.

Thus the investment provisions of PTAs pose neither a threat nor a promise to FDI in the Asian region.

18 June 2007

THE AGE

JACK PEZZEY AND FRANK JOTZO

Avoiding the greenhouse grab

Since the Prime Minister's late but welcome conversion to a policy of cutting Australia's greenhouse gas emissions without waiting for a global treaty, and using an emissions trading scheme to do so at least cost, debate has rightly focused on emission targets. But neither the Coalition nor Labor will set any near-term target before the election. So how about trying to pin down either party on the second big question about emissions trading: its fairness? Will either party tell us who will get the tradable emission permits when they're created?

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For while emissions trading minimises the total cost of cutting emissions, it inevitably creates new riches worth far more than total costs. And we're talking big potatoes here. At a permit price of A\$25 a tonne of carbon dioxide—quite plausible early in the next decade if energy and industrial emissions are just capped at current levels, rather than growing at 2 per cent per year as they have been since 1990—then permits for these emissions would be worth around A\$10 billion a year. That's about 1 per cent of GDP, every year.

So it's no surprise that some big business emitters are making an old-fashioned, Wild Western grab for these new property rights, by lobbying for free carbon permits in proportion to recent emissions ('grandfathering'). Sometimes this comes with threats, as when Paul Simshauser, the head of Babcock and Brown Power, told a recent APEC energy meeting that Australia's least efficient coal power generators should be given free permits for their greenhouse gas emissions to prevent them behaving like 'a wounded bull' and shutting down capacity to send the price of electricity soaring. But unlike with frontier land or water rights, if government gives in to such pressure, business will make huge windfall profits at the expense of ordinary consumers.

How can this happen? Faced with a carbon cap (and price), emitters pass much of their cost of carbon permits through as higher prices. This is necessary, so the whole economy has an incentive to use less carbon-embodying products like electricity, aluminium and steel. But the pass-through means that any profit losses to emitting companies are much smaller than their permit costs. So giving out all the carbon permits for free, and in proportion to recent emissions, gives emitters huge, unjust, profits.

This key lesson from carbon economics is not just theory. It's been estimated that to keep existing profits, electricity generators would have needed only between 20 and 40 per cent of their permits for free under the recently introduced European emissions trading system, because they now charge higher electricity prices. Instead, their greenhouse grab worked, and they got nearly all their permits free. Result? Windfall profits of about 5 billion Euros to electricity generators in 2005.

To its credit, the Prime Minister's task group report on emissions trading recommended a much fairer principle than grandfathering: giving free permits only to compensate for disproportionate economic losses from the big market shifts caused by emissions trading. The rest of the permits would be auctioned, with the revenue used initially to promote innovation in low emissions technology, and greater energy efficiency. Fairer still would be to auction all the permits—after all, changes in policy are part of normal business risk, and a carbon price has been visible on the horizon for years now. True fairness might mean using auction revenues also to compensate low-income consumers for higher energy bills, and workers in the most affected industries for job losses. But given the billion-dollar politics at stake, the task group's proposals are probably the fairest one can hope for.

So where's the problem? First, the Prime Minister has yet to say whether he accepts his task group's principles for permit allocation. Second, he has accepted the task group's leisurely timetable, which includes not setting a near-term target until 2010. That target, along with economic modelling, is needed to calculate any 'disproportionate losses'. Perversely, for some emitters this could mean that raising rather than cutting their emissions until then is the best strategy, in order to get more free permits in 2010. And third, Labor has not yet said anything about permit allocation either. Meanwhile, furious lobbying goes on behind the scenes. The greenhouse grab is on, and the bulls might yet make a run for it.

Australia

November 2006

CANBERRA TIMES, PUBLIC SECTOR INFORMANT

GLENN A. WITHERS

Public entrepreneurship: why it's not a contradiction in terms

Public service once used to be about public administration. In more modern times the dominant idea is being a good public manager. Management is seen as a higher order function than administration. Administration is what clerks do. Management is what executives do. Indeed managers have degrees as befits their function and increasingly they are moving beyond their first degrees. Sometimes it is via specialised executive courses, such as in managing change, asset management or, even, managing difficult people. For others there are full graduate degrees in public administration, public management and public policy, as well as business management.

Administration and management are the core of these further areas of study. But increasingly there is a new spirit haunting the curriculum, one which betokens an even higher stage in evolution. This is leadership,

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entrepreneurship and innovation. Leadership connotes an ability to guide, direct and inspire. Entrepreneurship involves developing and bringing to fruition new ways of doing things, and innovation is the process of coming up with the new ideas and having them recognised.

Leadership, entrepreneurship and innovation are hardly new phenomena. Human activity would not have progressed one jot beyond the prehistoric were it not for these. Yet they have proven remarkably elusive to pin down in the systematic intellectual construction of human behaviour.

The average management, political science or economics text is much more about processes and institutions than about the leaders, entrepreneurs and innovators that changed them. The world's leading economics text, *Principles of Economics*, is by Gregory Mankiw of Harvard. The words 'leadership', 'entrepreneurship', and even 'innovation' do not appear once in Mankiw's 830 pages. David Morgan, in his Chris Higgins Memorial Lecture, noted how he learned early on in moving from Treasury to Westpac that the Treasury's hallmark analytic intelligence required some hefty supplementation by social intelligence in the business world.

Neglect of wider conceptions of leadership, entrepreneurship and innovation is changing. Leadership is now the subject of increasingly numerous courses and also entrepreneurship and even innovation, particularly beyond the narrow scientific construction that has been with us for some time, is spreading though research and curricula. For the global Social Science Research Network, which distributes the world's top universities' working papers in social science, the standard panels have long been Accounting, Economics, Finance, Law and Management. To this has now been added Entrepreneurship Studies and Policy. In economics, top scholars such as Edward Lazear have switched from labour economics, where the decline of the union movement has reduced interest, to studies of entrepreneurship, where the growth of small and medium business start-ups and new phenomena such as private equity seem much more the go.

Is this of public sector interest? Certainly leadership has some immediate resonance, and the number of leadership frameworks, leadership networks and leadership courses now permeating daily life in official Canberra reflects this. The still newish Australia and New Zealand School of Government

(ANZSOG) requires a subject called Leading Public Sector Change as a compulsory subject in its Executive Master of Public Administration, along with other more managerial obligations such as Delivering Public Value, Governing by the Rules and Managing Government Finances.

What about entrepreneurship and innovation? Here recognition is more begrudging and sporadic—and indeed a case could be made that unlike management and even leadership, we should expect less enthusiasm for entrepreneurial and innovative behaviour in risk-averse civil service culture. Indeed enthusiasm for leadership itself has limits—as it too readily becomes leading with one’s chin.

But to accept this would deny a great Australian tradition. Of all people, Clive James has recognised that ‘Australia had been a political construction that was the work of a very, very clever people with an eye to the past and future, and was a very advanced social democracy, and had every right to be proud of that’. Authors such as Thomas Barlow in his *Australian Miracle: An Innovative Nation Revisited* have begun to cotton onto this too. And recently Neville Norman, in his presidential address to the Economic Society of Australia’s 2006 annual meeting in Perth, listed a series of contemporary public innovations in Australia that were variously world-ranking and for which he felt that academic economists engaged in policy in various ways were the catalyst. Among the ‘distinctive dominant contributions that made a difference’ he included the Medibank/Medicare system (Deeble and Scotton), the Higher Education Contribution Scheme (Chapman), and the Australian Immigration Points System (Withers). Depending upon how one classifies Meredith Edwards in these matters, he could have added the Child Support System.

And there are equivalent achievements from within the civil service that have made a mighty difference, beyond efficient administration and good management. We are told that the Australian public financial management system, Austrac anti-money-laundering administration, water management via the Murray–Darling Basin Commission, Australian electronic visa processing practice, the ‘Three Pillars’ retirement income support system, and employment services delivery arrangements through Job Network are world’s leading practice innovations. In each case a major international arbiter such as the OECD, UN, IMF or World Bank has provided a well-documented

judgement, though we often ourselves see more of the remaining flaws in our creations as much as their achievement. We do tend to forget sometimes that what went before and what remains elsewhere is much worse.

Where are we right now within the civil service? Australia with New Zealand was a pioneer in the new public management movement and, with New Zealand and with strong domestic political leadership too, it was a front-runner in comprehensively implementing and not merely advocating what we term Down-Under as 'microeconomic reform'. But the lead in best practice seems to have some time back shifted to Whitehall and to Canada, on the administration side, and in policy within Australia, from the Commonwealth to Victoria on the policy side, as evidenced by Premier Bracks's leadership in reigniting the Council of Australian Governments' reform agenda. Correspondingly Victoria has risen steadily from being the worst of the states to being at the top of the states in the Evatt Foundation State of the States annual rankings, and Terry Moran is being ranked with Peter Shergold in those listings of Australia's powerful people.

Can the achievement be improved upon? Two things are needed. The first is recognition of the great tradition and achievement that does exist. In business we have produced some world-beating managers—not only in our globally competitive domestic industries such as mining and agriculture or individual world-ranking firms such as CSL and Orica—but even at the top of US business icons such as Ford, McDonalds, News Corp and Baker-McKenzie in recent years. But the same can also be said for our headship of other global activities ranging from Julian Disney as world president of the International Council on Social Welfare and Paul Gilding as CEO of Greenpeace International through General Eva Burrows as world head of the Salvation Army and Gareth Evans as chief executive of the International Crisis Group. Even in the civil service, Australian Sir Robert Armstrong rose to head the British Civil Service and Martin Indyk was US Ambassador to Israel.

But what Australian domestic policy achievement has that the political institutions, community sector and business do not, is something much bigger than individuals. It is the development again today of a distinctive world-class model of public policy and its effective management, namely an economical welfare state which supports both prosperity and fairness

and, increasingly, sustainability, and does so to a degree only challengeable by the Scandinavians with their very different model. In the UN's Human Development Index Australia is number three after Norway and Iceland.

Telling our story better is part of the constructive side of the culture wars. But few protagonists have realised how little they have acknowledged how clever we have been in policy and that we need to proclaim this increasingly and loudly in our history.

The second step forward is for civil service itself to orient some of its education and training to include more on how to lead, create and innovate rather than only how to manage and administer. These things are increasingly amenable to transmission, teaching and research and are not just matters of intuition and experience, though these help mightily too. This requires a courage backed up by a professionalism that activities such as ANZSOG and, even more, universities' own programs can assist with.

It also requires recognition that the Hayekian ideas that so drove the liberal economic reform movement of the last three decades do not stop at the door of government. One current danger is the tendency to seek whole-of-government and centralised and standardised national solutions to all problems. The presumption is that an overstretched centre of government which has substantially depleted its internal capacity for lateral and evidence-based strategy has the right uniform 'one-size-fits-all' answers. This is a foolish presumption. Certainly for many truly national functions centralised direction is essential, but for many others it is quite wrong and unnecessary. Yet we have no clear principled enunciation in Australia of which functions fall into what categories. What is needed is an increase in internal strategic capacity, an explicit and well-defined philosophy of matrix management and a reconstruction of a proper mix of competitive and cooperative federalism based on clear principles and practice of subsidiarity.

One of the dangers in being more managerialist than innovative is that management is prone to fads and cycles in dealing with 'wicked problems'. We therefore cycle back and forth from flat to vertical structures, from delegated management to joined-up government, from transparency and accountability to commercial-in-confidence and freedom from information. The breakthrough we need is leadership, entrepreneurship and innovation. On the World

Economic Forum Global Competitiveness Index Australia has fallen to number 19 in 2006. Our institutions are still ranked in the top 10, but our innovation factors are down at 24. The public sector needs to play its role in altering that with as much concern for creativity as for caution and control.

9 April 2007

CANBERRA TIMES

HILARY CHARLESWORTH

The saga of David Hicks

With the imminent return of David Hicks to a South Australian prison and his release by the new year, we have a resolution of sorts to a divisive national issue. From a legal perspective, the outcome is both mysterious and unsatisfactory from all angles. The plea bargain, providing a 9-month term in an Australian prison, could not satisfy the Australian or US governments, who have insisted for the last five years that Hicks was ‘the worst of the worst’. The curious conditions attached to the sentence are both manifestly political and unenforceable in Australian courts. Hicks’s certification that he was not treated illegally by the US is directly contradicted by his affidavit in citizenship proceedings before the UK courts, which sets out evidence of torture by US officials. The outcome of the Hicks plea bargain also cannot satisfy those who have called for a fair and open trial.

Foreign Minister Alexander Downer referred last week to the end of the David Hicks ‘saga’. The term saga is typically accorded two different dictionary meanings: ‘a long, involved story, account, or set of incidents’ or ‘a long story of heroic achievement’. Mr Downer’s use of the word saga is

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certainly accurate in the former sense. The story of David Hicks has seemed interminable, with five years between his arrival in Guantanamo Bay and the conclusion of the Military Commission process last weekend. It has had many convoluted twists and turns.

The saga can be read on a number of levels. It has been a dramatic personal story of a young Australian who went dangerously off the rails and of a remarkably devoted father. It has been a story about the current nature of the Australian–US alliance, with responsibility for the situation of an Australian citizen, Hicks, effectively surrendered to the US. It has been a story about the way that post-September 11 politics has allowed the ill-defined concept of terrorism to obscure the significance of individual rights. And it has been a story about the fragility of the idea of the rule of law in Australia.

Much of the media and political discussion of the David Hicks saga has been confined to the specific level of his life and personality. Attempts to go beyond this to raise the deeper political and legal issues at stake have been met with the charge that critics of the legal process either support David Hicks's activities, or that they are at least attempting to play down the seriousness of the threat of terrorism he represents or depict him as a type of martyr. In fact, most legal critics would agree that Hicks has admitted to many actions that are hard to support in any moral sense: from January to September 2001 Hicks trained extensively with al-Qaeda in Afghanistan and indeed complained to Osama Bin Laden personally about the lack of English language training material; he was in Pakistan on 11 September 2001 and he welcomed the attacks on the US that day; by October 2001, he was back in Afghanistan where he guarded a tank outside Kandahar airport during Operation Enduring Freedom. He travelled to Kabul, later spending two hours on the front lines of battle in Konduz on 9 November 2001 and then tried to flee back to Pakistan when he was captured by the Northern Alliance and handed over to US forces. These actions provided the basis for a charge of 'providing material support for terrorism' under the US Military Commissions Act 2006, to which Hicks pleaded guilty.

But a basic legal concern is that when Hicks was roaming around Afghanistan, guarding tanks and meeting Osama bin Laden, he was doing nothing then illegal under US, Australian or international law. Had he consulted a legal adviser before his journey, he would have been informed that his travels

were dangerous and foolhardy, but not that they were illegal. It was precisely because no Australian law clearly made Hicks's 2001 activities criminal that the Australian government refused to seek his return to face charges in Australian courts (although the government's justification for this proposition has never been made public). The problem with retrospective laws is that they deprive people of the knowledge of what behaviour is considered criminal and make breaches of the criminal law depend on the whim of those in power.

The Australian government has, arguably, the theoretical legislative power to enact retrospective criminal laws, but it declined to do so in this case, suggesting that Australia was unwilling to abrogate a longstanding principle of the common law. In the United States, retrospective criminal laws are, by contrast, unconstitutional. However, despite the fact that there was also no United States law that rendered Hicks's conduct illegal at the time it was undertaken, the United States has been prepared to enact a retrospective law to make Hicks's actions illegal. There is some irony in the fact that an Australian law could have been drafted to criminalise Hicks's conduct, but Australia did not take this path, while the US law under which Hicks's plea bargain was arranged, the Military Commissions Act of 2006, is of questionable legality because of its retrospectivity. If the US law survives the scrutiny of the US Supreme Court, it will only be on the narrow technical ground that constitutional rights guarantees are not held applicable to non-citizens who are held outside US territory.

The second significant issue for lawyers is that the Military Commission structure is flawed, judged by international, United States and Australian legal standards. It may have produced an immediate outcome in the Hicks case that is acceptable to the protagonists (although the result appears to have been achieved more by political intervention in the last few days than by the operation of the Commission system), but it was designed to bypass many legal standards that allow justice to be done and to be seen to be done. The Military Commissions Act 2006 was strongly criticised as a breach of fundamental rights by over 600 US lawyers in a letter to Congress on the eve of its adoption. Among other things, the Military Commissions Act provides an amnesty for United States officials who may have committed war crimes under American statutes; it decriminalises a wide range of violations of the Geneva Conventions of 1949; it grants the US President power to deem

individuals (including citizens) as enemy combatants; it removes the writ of habeas corpus (the right to challenge the legality of detention) for foreigners deemed enemy combatants by the President or his agents; and it allows trials to be based on secret or coerced evidence. For these reasons, members of the Australian government who have supported David Hicks's prosecution under the flawed Military Commissions Act appear to have breached the Australian Criminal Code. The Code defines a war crime to include depriving a person engaged in armed conflict of the rights of a 'fair and regular trial', or aiding, abetting or counselling such a deprivation.

At the heart of the concept of the rule of law, the basis of our legal system, is the proposition that everyone, including the government, should be accountable to laws that are publicly promulgated, equally enforced and independently adjudicated. All three elements of the rule of law are breached by the Military Commissions Act. First, it retrospectively criminalises particular activities and decriminalises others; second, it applies different standards to US citizens and non-US citizens; and third, the system of adjudication it establishes is highly dependent on the executive branch of government, and thus manipulable by political imperatives. If we consider the concept of a saga in its more mythological sense, the David Hicks affair is, then, a narrative of destruction rather than heroism, and it will undermine faith in our government's commitment to a fair and open legal system for many years.

18 April 2007

AUSTRALIAN FINANCIAL REVIEW

RICHARD MULGAN

Democracy and good governance

Recent difficulties over administering the East Timor election once again throw Australia's aid priorities into sharp relief. For the last decade or so, the

aid effort in the Pacific has clearly focused on a 'good governance' agenda. But the concept of 'good governance' itself is controversial. In particular, the connection between good governance and democracy remains problematic. On the one hand, like other wealthy and well-established democracies, Australia is committed to encouraging democratic institutions among its less developed friends and neighbours. On the other hand, elected politicians are often not fully committed to a good governance agenda. They may be more concerned with advantaging themselves and their own supporters. Entrenching their own position may take precedence over building robust institutions of effective and lawful government, such as an honest and capable bureaucracy, an independent legal system and impartial police. Democracy then becomes part of the problem rather than the solution.

The more hard-headed international donors, such as the International Monetary Fund, have long been suspicious of democracy. For them, the main governance issue has been reducing government corruption through the rule of law, including the legal enforcement of property rights and commercial contracts. Those motivated by a broader social and political agenda, however, cannot be indifferent to democracy. The World Bank, for instance, though usually avoiding explicit support for democracy, adds a democratic slant to its account of good governance, through concepts such as transparency, accountability and participation. Australia has followed suit.

The dilemmas are real and not easily resolved. Economic development certainly requires the rule of law, operating through institutions such as an independent judiciary and an impartial bureaucracy. But it does not need democracy. Free-market capitalism took off in nineteenth-century Europe well before the establishment of democratic institutions. The rule of law came first, guaranteeing that democratic elections and competitive politics would be fairly and legally regulated.

More recently established democracies have not had the same advantages. Many lack robust administrative and judicial agencies capable of upholding due process and the law. Elected leaders cannot be relied on to make up this governance deficit.

Suppose, in Australia, that we lacked impartial officials backed by independent auditors, police and judges. Would we trust John Howard or Kevin Rudd to give priority to establishing institutions that would check their

own power? In the cut-throat game of competitive democracy, politicians are intent on defeating their opponents and rewarding their supporters. They are players not umpires. To make them play according to the rules, we need independent constitutional umpires who can stand up to bullying from players.

The dilemma remains. Democratic politicians are unpromising champions of good governance. But principles of international diplomacy and our own democratic values require us to deal with and through elected governments. We must try to retain the confidence of governments in the region while lending support and encouragement to those aiming to strengthen the rule of law. The goal is not impossible. But be prepared for disappointments along the way.

2 May 2007

THE AUSTRALIAN

RICHARD MULGAN

Americanising our universities?

Some years ago, I spent a semester's leave visiting a number of universities across the United States. Travelling on the cheap (as rank-and-file academics do), I naturally came across many comparatively uneducated Americans who had no tertiary education themselves. I was struck by the generally positive attitude such people had towards universities. Coming from the antipodes, I would, as normal, try to conceal my true profession ('no one would ever know you are a professor' is the highest praise we can receive here). But if the true purpose of my travels slipped out, the other person's face would usually light up rather than twist into a disparaging sneer. 'So you are visiting X [the name of the University]. It's a fine school (*sic*).'¹ The person might go further with

¹Published as 'Reason for cheer', *The Australian*, 2 May 2007.

a comment such as, 'It's been going through a lean patch recently but under Y [person unknown to me] it looks like it's coming right.' A reference to the University's international rankings and a new energetic president hiring bright new faculty? Of course not. It would be the football or basketball team and their new coach (paid more than the president and much better known).

For those alien to the North American system, it is easy to scoff at the intimate link between professional sports and universities. But there can be no doubting the great public support and goodwill for universities generated by college sports. This point came to mind with the unveiling of the University of Melbourne's new US-style curriculum. The Vice-Chancellor/President and staff/faculty were on display in their finery (another good marketing touch), together with a classical orchestra, suggesting elitist culture. But where were the marching band, the team songs, the cheer-leaders and the banners?

The city of Melbourne, of course, is a well-known centre for high culture and the arts. But, the thought occurs, for what is Melbourne really famous? In what is Melbourne the undoubted capital not only of Australia but, arguably, the world? Sport! Why not develop an intercollegiate football competition for student-aged footballers before they go on to the professional clubs (AFL in the south and west and rugby in the east)? The teams would generate massive enthusiasm and support for the universities. They would also build internal *esprit de corps* among an increasingly atomised student body. This same week has tragically demonstrated the wider communal power of college sports in the US. The wounded community of Virginia Tech was able to come together for comfort in a massive sports arena, with students wearing their university sporting colours as a mark of solidarity.

In Australia, university sports would provide a chance for less academically strong universities to claw back some kudos. Perhaps Melbourne, like Harvard or Columbia, would profess to glory in the weakness of its football team. Perhaps it would not dare. University sports would provide a constant stream of generous donations, as dewy-eyed captains of industry attended the big games, relived their misspent youth and emptied their wallets. Politicians, too, might become more sympathetic, particularly if Olympic sports were included. Governments (and the voters) pay lip service to academic research. But they really care about gold medals.

11 June 2007

THE AUSTRALIAN

CHRISTINE WINTER

Still guilty of overreaction to radicals in our midst

The story of Australia's reaction to the National Socialists has a number of lessons to teach, about staying calm in times of crisis, following due process, valuing democracy and the rule of law against political expedience, and protecting minorities and strangers in our midst instead of pushing them into the arms of radicals.

The Hitler Club, a new book on Johannes Becker, leader of the National Socialist German Workers Party (NSDAP) in Australia from 1933 to 1936, and his deportation from Australia after the Second World War, has raised a debate about whether Australia was (and still is) overreacting to radicals in its midst. Becker and his fellow Australian Nazis, the argument goes, numbered only a handful and had little influence. Still, they were singled out, interned, persecuted and victimised, and in some instances deported.

I am looking forward to reading the new book. The announcement that Becker's 'is a story of immigration, of an Australia in formation, of the complexities of the juggling of the old and the new' is intriguing. I have so far seen Becker's tumultuous involvement with the NSDAP as a typical story of Nazi infighting as well as a lesson in how fast allegiances shifted at the collapse of the Third Reich.

Becker did not vacate the leadership of the NSDAP in Australia in 1936 because of a change of heart. He was deposed because of personality clashes inside the Australian Nazi movement and, more importantly, a power struggle between the local party and the German consulate. Interned during the war in Tatura 1, the single men's camp for German civilians in northwestern Victoria, he initially joined the Nazi elite that ran the internal organisations within the camp, before falling out with the party once more.

Towards the end of the war and afterwards, he informed Australian authorities about Nazi practices in the camp, including the beating of dissenters, and declared his opposition to the Nazis. I once discussed Becker's politics with a former hut-mate of his, a taciturn German with a dry sense of humour, who had been an ardent German patriot during the war and a non-party member. 'Well,' he laughed, 'all I can tell you is that you played cards with Dr Becker at your own peril; he was a very good poker player.'

However, Becker's gamble, if it was one, of giving up his fellow Nazis in return for permission to stay in Australia, failed. Australia was playing a game of political expediency.

It is debatable whether Becker's internment and deportation were unjust. Certainly Nazis with a lower profile than his received quite different treatment. My concerns are about Australia's actions during the war and after, and the lessons for today we can learn from it.

Through its surveillance and internment practices Australia created radicals. Interning those who Australia regarded as potentially subversive paradoxically brought them under the immediate control and surveillance of the National Socialists with little or no space for dissent.

During the war, Australia tolerated two Nazi-controlled internment camps, and did little to protect non-Nazis in these spaces. For those interned, fear, pressure and the threat of being blackmailed to authorities in Germany created compliance with Nazi rule in the camps. Restriction orders and internment by Australia created resentment, alienation and a sense of not belonging here, but belonging to Germany.

Australia's seeming lack of care was generated by a lack of in-depth analysis of German culture and politics at the time, as well as a lack of resources and manpower. It was convenient to allow the Nazis internal self-rule. Political priorities played their part, too. Germany had in September 1939 threatened to mete out any treatment of its nationals deemed unfair by the Reich to Australian and British internees and prisoners of war, and Australia decided pragmatically to allow alien internees political leeway rather than risk German retaliation.

National Socialism in internment camps only became a concern when the end of the war was imminent. Land Headquarters summed up the

problem in a memorandum of 26 April 1945: 'The presence of such [Nazi] ringleaders in camps may further become a source of embarrassment after hostilities cease with Germany.'

After 8 May 1945, the single men's camp Tatura 1 and the Nazi family camp Tatura 3 (compounds a, b and c), were hastily de-Nazified, new camp leaders were elected, and a screening process put in place to investigate each internee's character and loyalty and to determine their suitability for immigration. The interrogations of Becker and other Nazi leaders received considerable media attention. Becker's deportation was not a matter of upholding democracy or keeping Australia safe, but a public relations exercise in placating public opinion.

At the same time other less high-profile former Nazis were cleared and given permission to remain in Australia. Shortly after, Australia's post-war immigration policies and practices were being developed and implemented, which utilised Europe's displaced people's camps as recruiting grounds for 'new Australians', and brought former National Socialists and Nazi collaborators into the country, including war criminals.

In the new climate of the Cold War, Australia could be assured of these immigrants' anti-communist pedigree. It just shows how yesterday's enemies can become today's allies and friends.

28 June 2007

CANBERRA TIMES

JOHN UHR

Federalism can rescue the federal government

Critics fear that the Howard government's bold intervention in indigenous affairs in the Northern Territory might do more harm than good, gaining

control over local communities but losing 'the hearts and minds' of those under federal control. Many observers who are not traditional Howard supporters do not want to see federal intervention fail, because they appreciate that this really is a national crisis.

I think it is also a crisis of federalism, which is our roadmap of government. But this critical element might be a good thing. A new debate over Australian federalism can strengthen the creative tensions in our system of government. Admittedly, a poor or hasty debate can do the opposite: weaken federalism by asking too much from Canberra and too little from the nation at large. Federal nation-states can be valuable experiments in power-sharing, especially when they prevent central governments from claiming a monopoly to speak and act on behalf of 'the nation'.

So we should be wary when the prime minister rebuffs state and territory leaders and says that the time for meetings is over and that the time for 'national action' is now. Among the most important actions is or should be meetings of all levels of government with appropriate community leaders to bring to the table a diversity of views reflecting different elements of the Australian nation. Canberra has no constitutional or political site licence to speak or act for 'the nation'. And on indigenous affairs, no level of government can act alone as the responsible authority for communities long excluded from the national compact.

Critics will be proved correct in their call on the Howard government to proceed slowly and cooperatively in its plan to repair indigenous communities in the Northern Territory. But the critics will be proved wrong if they think that a Labor government in Canberra is all that is required to get the job done better. The debate over the Howard plan illustrates the surprising strengths but also the severe limitations of thinking of 'the government' solely in terms of Canberra (the conventional Howard approach). More, the debate reveals underlying limitations of thinking of 'the nation' primarily in terms of the powers available to governments in the national capital (the conventional progressive approach).

Australia is a federation with many levels of government, each of which (including local government) speaks for aspects of 'the nation'. But federalism is not simply about formal checks and balances among competing legal

jurisdictions. It is also about plural communities shaping the one Australian nation. Federalism can help mobilise the many different communities that comprise 'the nation', so that, for example, indigenous policy develops through the creative tensions of negotiations involving multiple governments and many affected communities, and not simply the neatly ordered impositions dreamed up in Canberra.

Howard admits that he is more of a centralist than a federalist. He admits that his intervention is 'taking over what are normally state and territory responsibilities'. Note the reference to the states: the intervention in the Northern Territory puts the states on notice that the federal government is serious about its campaign to overhaul indigenous welfare regimes, most of which build on federal funds. But when federal ministers call this a 'national emergency', notice that they do not imply that the solution is for 'the nation' to act together. Critics are right when they urge the federal government to hasten slowly by orchestrating a national response involving state, territory and community, especially but not solely indigenous, interests.

Howard is right to call the situation 'an Australian problem that calls for national leadership'. But the head of the federal government has no monopoly over national leadership. The nation is led by many forms of political and public leadership: the federal government shares national leadership not only with other levels of government but also many other non-government institutions of public authority, including local communities in remote areas of the Northern Territory.

For a leader of a conservative political party, Howard is unusually centralist in his policy thinking. It is typical of his style of government that 'Canberra knows best', whether it be policy in relation to handguns or policy over health or education or water or industrial relations or any number of growing federal responsibilities. In this case of indigenous policy, Howard has not yet relied on the powers available to the federal parliament resulting from the famous 1967 referendum, but on more traditional powers over the territories. But the heat is now on state governments to show the federal government why they should retain their sole responsibility for many areas of indigenous affairs. The immediate focus might be the Northern Territory but the states,

all governed by Labor, know that the 2007 federal election could well turn on views about the merits of federal intervention in state control, or lack of control as Howard would have it, over indigenous affairs.

The debate illustrates underlying tensions over who best speaks and acts for 'the nation'. The federal government's approach to the 'national crisis' suggests that state and territory governments have let the nation down. Indigenous citizens have been poorly served by the states and territories, all under Labor control, which have denied the full protection of the law to the nation's most vulnerable citizens. The federal opposition's approach differs in calling the situation a 'national shame' for which the federal government shares much of the responsibility. In the opposition's approach, the appropriate national response involves a more closely organised collaboration among federal, state and territory governments to promote safer and healthier communities for indigenous citizens.

These two approaches do not exclude the available options. The nation is more than the government, even the assembly of governments gathered together in the Council of Australian Governments (COAG), which is a good starting place to build broader support for Canberra's surprising initiatives. There is much to be gained by COAG or some other shared-powers authority in experimenting with new governance structures to monitor the pulse of Canberra's well-intentioned but potentially flawed exercises in community building. All that is required to get it started is to recognise that no government (not Canberra, not the states nor the lot combined) truly represents the nation, which is a deep structure of communities each of which deserves to participate in the design and implementation of public programs addressing 'national emergencies'.

19 July 2007

CANBERRA TIMES

WILLIAM MALEY

History repeats unless the wise learn its lessons

In October 1908, a cadet at the Royal Naval College at Osborne named George Archer-Shee went to a nearby post office to buy a postal order for fifteen shillings and sixpence. Upon his return, his life suddenly took a violent lurch: he was accused of having cashed a postal order for five shillings that had been stolen that afternoon from another cadet. The thirteen-year-old Archer-Shee protested his innocence, but based on the statements of the postal clerk, a Miss Tucker, the Admiralty immediately expelled him from the college, stating in a letter to his father that investigation of the circumstances of the case ‘leaves no other conclusion possible than that the postal order was taken by your son’. The young Archer-Shee left with the stain on his character of being a thief.

His father, a most devoted parent, was not willing to see his boy traduced in this fashion, and decided to take on the might of the Admiralty. He secured as his son’s advocate one of the greatest barristers of his time, Sir Edward Carson KC, who had earlier served as solicitor-general of England. Taking action against the government was not an easy matter and ultimately required the filing in August 1909 of a ‘Petition of Right’—a plea for relief formally inscribed with the words *fiat justitia* (‘Let right be done’). When the matter finally came before the King’s Bench Division of the High Court in July 1910, the Admiralty sought to prevent a hearing of the merits of the case, prompting Carson to describe what had occurred as ‘a case of the grossest oppression without remedy I have known since I have been at the Bar’.

But fortunately, the Court of Appeal finally allowed the case to proceed, and once the trial began, Carson exposed the Admiralty witnesses to the kind

of devastating cross-examination for which he was renowned, and which had been the ruin of Oscar Wilde in the 1890s when he too was confronted by Carson in a courtroom. On 29 July, the counsel for the Admiralty (and serving solicitor-general), Sir Rufus Isaacs KC, formally accepted that young Archer-Shee was innocent of the charge. The boy was by then too old to be reinstated in the navy, and was killed at the Battle of Ypres in 1914.

Today, not too many people remember the Archer-Shee case, although the American critic Alexander Woollcott once wrote a memorable essay about it, and Terence Rattigan wrote a play called *The Winslow Boy* that was based on the facts of the case. However, there are two lessons from the case which are worth remembering. One is that 'evidence' may not be worth very much unless it is properly tested. The other is that the powers of the state can be easily abused, and that robust checks and balances are vital to prevent this from happening.

It is worth remembering this case when one looks at the circumstances surrounding the cancellation of the visa of Dr Mohammed Haneef by the Minister for Immigration and Citizenship. What is striking about these circumstances is once again that action has been taken without any opportunity for Dr Haneef to test the worth of the 'evidence' deployed against him, and pursuant to statutory provisions which have swept away some of the key protections that developed over centuries to prevent the abuse of power by officials. The way in which this has happened exposes an urgent need for reform of the law, although only the most naively optimistic would hold out much hope that any such thing will eventuate. It also provides an unsettling reminder of the warning from the great philosopher David Hume that it is seldom that freedom of any kind is lost all at once.

The offensive provisions here are sections 501(3) and 503A of the Migration Act 1958. The first of these provisions is the one on which the minister, Kevin Andrews, relied in order to cancel Dr Haneef's visa, asserting that he reasonably suspected that Dr Haneef did not pass the 'character test' and that cancellation was 'in the national interest'. What makes this a font of potential arbitrariness is the subsequent provision that the classic 'rules of natural justice' (requiring a fair hearing before an unbiased decision-maker) expressly do not apply to such a decision. Using an Act of Parliament to

insulate decision making from the requirements of natural justice is a recipe for injustices of the most alarming variety.

But worse is the kind of secret information on which the minister can rely. Section 503A prevents even a court or the parliament (let alone someone in Dr Haneef's position) from having access to information communicated by a 'gazetted agency', unless the minister, having consulted the 'gazetted agency', authorises the disclosure; and this provision (under section 503D) also applies to 'similarly protect the agency's details from being divulged or communicated'. Perhaps such intelligence information is of high quality and reliable in character, but recent gross intelligence failures (weapons of mass destruction in Iraq) and false claims from government agencies which ministers deemed reliable at the time and moved to give the widest possible circulation ('children overboard') hardly inspire one with confidence. It is impossible to clear one's name if one is kept in the dark as to the allegations one must confront.

The result of all this is that Dr Haneef will be left to rot in detention, without having been convicted of any offence. So much for the much-trumpeted 'presumption of innocence'. Perhaps the minister, like the Admiralty in 1908, thought the material before him left 'no other conclusion possible' than one adverse to Dr Haneef. But should we really trust politicians to make such decisions? Realistically, how vigorously might one expect any Howard government minister to test the 'evidence' against a bearded Muslim foreigner—especially just months out from an election, and on the very day on which cabinet was reportedly meeting to plan some response to the government's abysmal performance in all the opinion polls. In such circumstances, the risk of perceived, even if not actual, bias is so great that it would be better to put such powers in much safer hands.

China

June/July 2007

THE DIPLOMAT

GEREMIE R. BARMÉ

The burdens of spoof

In late 2005, the veteran filmmaker Chen Kaige—a man hailed two decades ago as a leading figure in China’s new wave of cinema—released his latest and arguably most ambitious film. It was claimed that ‘The Promise’ (*Wuji*) would be on a par with the best works of the Japanese director Akira Kurosawa, the long-time auteur—hero of the Chinese director. Premiering with great fanfare at the Great Hall of the People in Beijing, and carrying the high hopes of the nearly has-been Chen, ‘The Promise’ was, however, an instant flop. For those of you who have yet to battle your way through this lugubrious, indulgent fairy-floss of pixillated mock-profundity, I would suggest that it is an auto-orientalist piece of plotless hype. The film might beggar description, but it did invite lambasting.

Within weeks, a young man by the name of Hu Ge created an online parody of the movie that he called ‘Murder by *Mantou*’ (*Yige mantou yinfade*

xuè'an, *mantou* being the steamed bread often eaten as a staple in north China). In it he interleaved pirated material from 'The Promise' with footage from a didactic TV law show. The comic voice-over was narrated in the hyperbolic tones of official parole.¹ It was an indictment of the pompous work of Chen and a new stage in the inventive use of the internet in China.

Spoofing, or *egao* in Chinese, was immediately popularised by Hu Ge's vblog take-off. With over 120 million net users in China and 17.5 million bloggers, news of Hu Ge's take-off spread on the net like a prairie fire.²

Hu Ge proved that the public appetite for parody (which flourished in the 1980s with the appearance of such satirical novelists as Wang Shuo) remains undiminished. Many local bloggers and the international media took an intense interest in Hu's seemingly confrontational and transgressive 'Murder by *Mantou*'. It was in reality a story of much about nothing, although Chen Kaige made much of it; too much. The doughty director was affronted by Hu Ge's satire and was quick to threaten legal action against the young upstart. But, while Hu became famous, Chen was lampooned for his pompous lack of humour. Even Hong Huang, publisher of China's *Time Out*, cultural entrepreneur and a woman hailed by some as the 'Oprah of Beijing', used her blog to castigate the stuffed-Armani suit that is her ex-husband.³

The vblog fiasco and increased rowdiness on the net, however, emboldened the authorities once more to attempt to rein in license on the net. On 9 April 2006, the authorities launched what they called a 'civilising the web' campaign (*wenming ban wang*), a push both for control and for improved netiquette. The official media reported that, over a 12 day period, almost two million 'unhealthy postings and photos' were deleted and 600 forums closed down on 14 Chinese web portals. Seven major Chinese web portals were openly criticised for their 'bad information postings', whose 'billions' of web pages require further 'cleaning' by the 'net nannies'.

By August 2006, the authorities began to regulate the spoofing fad, just as they had regulated (or attempted to regulate) so many other cultural and social extrusions over the past three decades. As the deputy director-general of the State Council Information Office Internet Department (*Guowuyuan waixuanban wangluojuzhu*) Peng Bo declared, 'People's thinking is confounded by spoofing—in particular young people are befuddled by

it. It disrupts the mainstream values of the majority of people, confounding thinking about honour and disgrace (*rongruguan*), and confusing right and wrong. It undermines the bottom line of contemporary morality, inciting dissatisfaction among the broad masses of netizens (*guangda wangmin*) and the broad masses of people, leading them to oppose such things.'

I would argue, however, that 2006, a time when the internet spoof and the blogosphere flourished in China, once more brought to the fore issues that for scholars and observers of Chinese post-Cultural Revolution culture are extremely familiar. In the mix of popular activism, media sensationalism and overt regulation, we see the ways in which the Chinese cultural world is evolving and, despite the best efforts of the authorities, growing and maturing. I would sum up the unfolding negotiation among users, regulators, observers and commercial opportunists in the following, albeit abbreviated, way:

- the tussle between bureaucracies (in this case the competition between State Administration of Radio Film and Television (SARFT) and Ministry of Information Industries (MII) (*Xinxichanye bu*); the fight over jurisdiction of online video, and indeed the lucrative online industry;
- a crackdown that itself modulates and domesticates oppositionist trends;
- the use of moral outrage as a weapon, whereby the authorities, unelected and unrepresentative though they may be, pose as the guardians of public interest, social norms and morals;
- the shadow boxing between guerilla creators, copyright owners and the authorities;
- international attention and hand-wringing over internet freedom and censorship in authoritarian China; talk of the inevitable undermining by the masses of an overweening bureaucracy and authoritarian one-party state;
- attendance on the next mini-eruption;
- the inevitable and profitable (both personally and commercially) 'cultural stir-fry' (*wenhua chaozuo*) or beat-up generated by the incident and those imitators inspired by it; and,
- further evidence that an increasingly informed and savvy population is continuing to negotiate, cannily, fitfully and sometimes painfully, spaces for expression with the überkultur of the regnant party.

This 'defeudalisation' of the media will continue, however, despite the publicity surrounding such 'landmark incidents' the constant constraints on the freedom of expression limits in a myriad of ways the potential for Chinese-language culture to grow in a more complex, substantive and diverse fashion both at home and internationally.

But, as others have noted, history tends to repeat itself as farce. In early 2007, at a meeting of movie bureaucrats, Zhao Shi, the head of the Film Bureau of SARFT, threw a few steamed breads of her own as she critiqued the contemporary Chinese film scene. 'What is it with these *mantou* all over the screen (*mantai dou shi mantou*)?', she asked in some off-the-cuff remarks at the meeting. She was, in fact, referring to the cleavage shown by Gong Li and other actresses in the veteran director Zhang Yimou's latest film, *Curse of the Golden Flower*, a tale of love, intrigue and court politics set in the Tang dynasty. 'How much better is a film like [Kevin Costner's recent movie] *The Guardian*. It could well be a [socialist] keynote (*zhuxuanliu*) movie. Okay, so it's not about the PLA, but it does promote the spirit of heroism.'

Notes

- 1 For Hu Ge's 'Murder by *Mantou*', see <http://blog.sina.com.cn/m/huge> (also on YouTube). This blog also contains his later spoofs of TV ads, songs, MTVs, the US and so on. See also http://www.danwei.org/internet/hu_ges_new_spoof_action_movie.php.
- 2 Wang Xiaofeng, 'Boke shimingzhide beilun', posted on Wang's blog, <http://www.wangxiaofeng.net/?p=491>, on 24 October 2006.
- 3 Hong Huang, 'Qianfu yu mantou', 16 February 2006, at <http://blog.sina.com.cn/u/476bdd0a010001uq>.

5 September 2007

APEC ECONOMIES NEWSLETTER

PREMA-CHANDRA ATHUKORALA

China's rise and East Asian export performance: is the crowding-out fear warranted?

The rise of China as a major trading nation is one of the most momentous developments in the post-Second World War era, surpassing even the stunning rise of Germany and Japan. This phenomenal export expansion has generated concern in policy circles in other East Asian countries that competition from China could crowd out their export opportunities, especially after China's accession to the World Trade Organization (WTO) and the termination of the Multi-Fibre Arrangement (MFA) in 2005. As China integrates rapidly into global production networks in electrical and electronics products, this fear has intensified and led to concern that China threatened the export performance not only of low-income countries but also of newly industrialised economies (NIE) and advanced industrialised nations. To give this policy debate a firm factual and analytical footing, we need a systematic comparative analysis of both China's export performance in the global context and emerging market opportunities in China, paying particular attention to possible complementarities arising from China's rapid integration into global production networks within vertically integrated manufacturing industries.

For more than a decade during China's post-reform era, conventional labour-intensive manufactures—particularly apparel, footwear, toys and sport goods—were the prime movers of China's export expansion. By the mid-1990s, 'miscellaneous manufacturing', a catch-all commodity group encompassing most of these products, accounted for almost half of total

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merchandise exports and nearly two-thirds of total manufacturing exports. Since then, the composition of manufacturing exports has shifted noticeably away from conventional labour-intensive product lines towards seemingly more sophisticated product lines, in particular those within the broader category of machinery and transport equipment. Between 1992–93 and 2004–05 the share of miscellaneous manufactures in total exports declined from 49 per cent to 31 per cent and the share of machinery and transport equipment increased from 17 per cent to 44 per cent. China's machinery exports expansion has resulted from its highly publicised export success in a wide range of 'information and communication technology' (ICT) products. China's world market share in office machines increased from less than 2 per cent in 1992–93 to over 28 per cent in 2004–05. Today, China is the world's largest global producer as well as the single largest exporter of personal computers; and its world market share of telecommunication and sound recording equipment—dominated by mobile phones, and DVD and CD players—increased from 8 per cent in 1992–03 to 26 per cent in 2004–05, giving a 'high-tech' image to China's export structure. Trade data showing this structural shift have been widely used to argue that China is rapidly becoming an advanced technology superpower and that the sophistication of its export basket is rapidly approaching the levels of advanced industrial nations, but closer examination of data suggests that such an inference is fundamentally flawed.

China's so-called 'high-tech' exports are predominantly 'mass-market commodities' produced in huge quantities and at relatively low unit cost, rather than 'leading-edge technology products'. Virtually all of these products are assembled by affiliates of multinational enterprises (MNE) from imported parts and components as part of their global production networks. The final assembly stage undertaken in China is the most labour-intensive layer in cross-border production processes spread over many East Asian countries. MNEs' share in total exports from China increased from less than 2 per cent in 1980 to over 58 per cent by 2005. They accounted for 88 per cent of total information technology products exported from China in 2005. Moreover, the share of components in total machinery imports to China increased from 32.5 per cent in 1992–93 to 63.4 per cent in 2004–05, with the import

share of the three ICT products recording a much faster growth. By contrast, final goods (total exports minus components) have continued to dominate China's export composition. Over the past decade the share of final goods in total machinery exports from China has remained around 75 per cent, with only minor year-to-year changes. When components are netted out, more than 80 per cent of China's total manufacturing exports can be treated as labour-intensive products.

So this rapid growth of final goods (end products) exports in highly fragmented high-tech industries does not necessarily imply that China is rapidly gaining maturity as a sophisticated high-tech exporting economy. With international fragmentation of production becoming a symbol of economic globalisation, the classification of final commodities by factor intensity is not the same as the classification of the production process occurring in these countries by factor intensity.

Although China's share of total world manufacturing exports increased from 4.7 per cent to 12.4 per cent between 1992–93 and 2004–05, contrary to popular belief the market share of developing countries as a group has not declined noticeably. The combined market share of developing East Asian countries increased from 12.1 per cent in 1992–93 to 13.7 per cent in 2004–05. Labour-intensive product lines in Hong Kong, Korea and Taiwan rapidly 'migrated' to China through strong investment links from the late 1980s. Reflecting complementarity in the emerging patterns of global production sharing, market shares of developing East Asian countries in component trade have generally increased despite China becoming a major player in world machinery trade, even though most countries experienced some erosion in market shares of final goods trade. East Asia's share in total parts and component imports to China has increased sharply over the past two decades, and by 2004–05 over two-thirds of total components imports to China originated in East Asia. The share of exports to China in total merchandise exports has increased in all East Asian countries over the past one and a half decades. The relative importance of exports to China in total exports is higher for all East Asian countries compared to the average level for the rest of the world.

A new econometric analysis of the determinants of bilateral trade flows, explicitly reflecting China competition in third-country markets, suggests that China's export expansion has not been associated with an absolute contraction in exports from other countries in third-country markets. On the contrary, China has gained market share in an expanding market. East Asia's performance record in withstanding China competition in global markets has been superior to that of countries in the OECD or Central and Eastern Europe (CEEU). At the disaggregated level, East Asia's relative superiority in withstanding China competition (compared to OECD and CEEU) seems to lie predominantly in component trade. The severity of import competition faced by the East Asian countries as a group in both miscellaneous manufacturing and final machinery products is also evident. However, China's rapid world market penetration in these products has occurred largely at the expense of the high-wage East Asian NIEs, which have naturally been rapidly losing comparative advantage in these product lines as part of their export-led industrial transformation.

Data on the direction of trade disaggregated by commodity category clearly point to the growing importance of manufactured goods—in particular, machinery and transport equipment and the parts and components therein—in China's trade with the East Asian countries. East Asia's share of total manufacturing imports increased from 37.3 per cent to 41.9 per cent. The share of machinery and transport equipment in total East Asian manufacturing exports to China increased from 45 per cent in 1992–93 to 85 per cent in 2004–05. This increase was dominated by imports of parts and components reflecting China's evolving role as an assembly centre within East Asia. By 2004–05 over two-thirds of total components imports to China originated in East Asia. By contrast, China's final goods exports are heavily concentrated in extra-regional markets, particularly in industrialised countries in Europe and North America. Between 1992–93 and 2004–05, the share of Chinese exports to East Asia in total final goods exports declined from 49.5 per cent to 26.5 per cent while exports to OECD countries (excluding Japan and Korea) increased from 29.3 per cent to 50.1 per cent. The country composition of China's components imports and exports are

very similar, with East Asia accounting for the lion's share on both sides. This reflects the multiple border-crossing of components between China and other East Asian countries at different stages of the production process.

Is China's reliance on East Asia for sourcing components for its burgeoning electronics and electrical industries a structural feature of the ongoing process of its rapid economic integration, or simply a passing phenomenon that will last only until China develops its own domestic production capabilities? Evidence indicates that firms involved in vertically integrated global industries are relying increasingly on international production networks embracing different territories and different forms of cooperation to optimise their competitiveness. Because of technological complexities and intrinsic country-specific cost advantages, countries are specialising in specific activities in the value chain and in certain kinds of products. Moreover, over a long period of time, many MNEs (particularly US-based MNEs) have significantly upgraded the technical capabilities of their regional production networks in other East Asian countries and have assigned global production responsibilities to affiliates located in more mature East Asian economies. Naturally, country risk considerations have a much greater bearing on corporate decisions to deviate from these well-established global practices compared to simple relative cost considerations. Furthermore, China is still at the early stage of developing the private property rights, respect for intellectual property, and venture capital financing practices that are important long-run contributors to converting scientific and technological innovations into successful commercial ventures.

China's rapid integration into regional production networks creating an expanding market for parts and components from the other East Asian countries does not, however, lessen East Asia's dependence on the global economy. East Asia's growth dynamism based on this new form of specialisation still depends on its extra-regional trade in final goods, and this dependence has increased over the years. Put simply, growing trade in components has made East Asia increasingly reliant on extra-regional trade for its growth dynamism. Therefore, one can make a strong case for re-examining the economic implications of the 'East Asian Community'

that brings together the ten nations of Southeast Asia with Japan, South Korea, and China. This new form of international specialisation cannot be sustained purely as an East Asian phenomenon because of the growing importance of extra-regional markets for final products. Moreover, regional trade liberalisation initiatives are unlikely to make much difference to cross-border trade in components because this trade takes place entirely under zero-duty concessions. Indeed, these countries would be better off upholding universal principles of economic openness.

Korea

25 November 2006

THE AUSTRALIAN

RON HUISKEN

Pyongyang plays its last card

On 9 October 2006, North Korea became the eighth country to detonate a nuclear explosive device. It would appear that the device very nearly failed, weighing in at the equivalent of just 500 tons of TNT. Although the test was conducted underground, sampling the atmosphere for traces of the unique by-products of a nuclear explosion eventually confirmed Pyongyang's claim that it had conducted its first test. This is an important milestone for North Korea and its neighbours, even though a small arsenal of deliverable nuclear weapons may still be years away. Still, it is not a development to be panicky about. A proven nuclear capability makes threats to use force pre-emptively against North Korea even more problematic but no one had the stomach for this in any case. Beyond that, it does little to expand Pyongyang's very short list of political and military options. Before the test, North Korea was a comprehensive economic and social failure and headed for more of the

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same. A nuclear test will do nothing to change this outlook. It may even put at risk some of the life-support systems that have sustained the regime in recent decades. Most observers are confident that Pyongyang is acutely aware that it cannot afford to give anyone a decent excuse to resort to force against it. A genuine opportunity to retaliate and remove the regime would not be wasted. At the same time, a reality for all concerned, but especially for South Korea and Japan, is that a great deal of twitchy military fire-power is arrayed on both sides of the Demilitarized Zone (DMZ) and the nearby seas. An accident or miscalculation, or a moment of madness, could escalate very quickly.

On 31 October, Pyongyang agreed to participate in another round of the six-party negotiations in November or December. The agreed purpose of these negotiations is to eliminate North Korea's nuclear weapons and the means of making them. The six-party talks have been a tortuous affair since they kicked off in 2003. The US consistently declared that it preferred diplomacy to address North Korea's clamorous progress toward the bomb but a powerful clique within the Bush administration was allowed to insist only on the delivery of extreme US preferences. China, the state with the most effective leverage over Pyongyang, put stability and the *status quo* ahead of focused pressure to secure denuclearisation, both for short-term reasons (the risk of large numbers of refugees from North Korea) and its longer-term interests in precluding the US and Japan from expanding their influence on the Korean peninsula. These circumstances allowed Pyongyang to indulge all of its infuriating whims and to beaver away on the bomb.

The equation has now changed. The Bush administration, in its second term, has signalled greater willingness to engage in genuine negotiations. That development was central to the agreement in September 2005 on the package of issues, headed by the verifiable and irreversible dismantlement of the North's nuclear weapon capability, that would comprise the elements of a final settlement. Equally, Beijing was humiliated by Pyongyang's rejection of its strong and public counsel to avoid escalating tensions, first by conducting a blizzard of missile tests in July and then detonating a nuclear

device in October. Then came the UN Security Council Resolution 1718, imposing penalties on North Korea that could potentially put the regime at risk. Beijing participated in the construction of this resolution and voted for it. Although obscured by a noisy dispute over the scope of interdicting shipping to and from North Korea, this was a decisive new element in the political equation. Beijing now could (and did) go to Pyongyang with a harsh message: Resolution 1718 allows, indeed, requires, us to exercise our capacity to inflict severe economic hardship; how rigorously we implement this resolution is up to you.

A resumption of negotiations is a necessary but far from sufficient condition for a successful outcome. What North Korea seems to want most is recognition, legitimacy and acceptance, above all from the US. The sole trophy in North Korea's cabinet is having fought the US-led coalition to a draw in the war of 1950–53. Pyongyang seems to attach the highest importance to being seen to be dealing directly with the US in translating the prevailing armistice into a full and permanent settlement. Kim Jong-il may feel that nothing less will allow him to match his father in North Korea's hall of fame. This means, in effect, that all of the most important carrots in the upcoming negotiations are held by the United States. The sticks, however, are mostly held by the others, especially China.

Everything therefore depends on the US and China achieving a close understanding on what an acceptable outcome looks like and exercising great skill and coordination in getting there. The United States must resolve to engage Pyongyang with professionalism and discipline. As Pyongyang is as odious a regime as any in living memory this will be a tough call. Equally, China will have to subordinate its other interests and be prepared to use its full influence to compel Pyongyang to stay at the negotiating table, to make realistic demands, to say yes when a satisfactory compromise has been achieved, and to implement any agreement in full.

The talks will be difficult. Some in Pyongyang will doubtless argue that no feasible agreement will be as reliable as retaining the bomb. On the other hand, Pyongyang has formally agreed, and recently, that it can imagine a deal that beats the bomb. And there are enough elements in play in the

September 2005 outline of a deal to provide scope for creativity in arriving at a compromise package. Hopefully, the key players will remind themselves that achieving and implementing an agreement will almost certainly deliver a common interest: the beginning of a transformation in the nature of the regime in North Korea.

16 February 2007

CANBERRA TIMES

STUART HARRIS

Korea deal could end Asia's cold war

The agreement reached in the six-party talks earlier this week on North Korea's nuclear program holds out the promise of substantial change in the geopolitics of Northeast Asia. If implemented, it would remove the last remnant of Asia's Cold War, reduce regional tensions, bring North Korea into the international community, help improve the conditions of the North Korean people and provide opportunities for wide ranging economic and strategic cooperation benefiting each of the Northeast Asian states. The Australian government has rightly welcomed the agreement.

The deal is only a first step but a potentially significant step forward after decades of difficult dealings with North Korea. It reflects the advantage of diplomacy over military confrontation—and an important shift by the US administration toward negotiating with a country previously declared beyond negotiations. Of course, in one sense it seems to be returning to the deal that President Clinton achieved in 1994, but falls well short—a kind of Clinton-lite.

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Nevertheless, the Bush administration has been through a learning process and it deserves credit for accepting the arguments of China in particular, and of many analysts familiar with North Korea, for greater flexibility in dealing with North Korea.

So how far does the agreement take us? Not far yet. In principle, North Korea has agreed to shut down its main nuclear reactor at Yongbin within 60 days and allow the return of International Atomic Energy Agency (IAEA) inspectors. In return it will receive 50,000 tons of heavy fuel oil for electricity generation. North Korean negotiators have pledged to freeze, 'for the purposes of eventual abandonment', the Yongbin nuclear-related facilities and to list all its nuclear activities. This is basically where we were with the agreed statement of principles agreed by the six parties in September 2005 until vetoed by Vice-President Cheney's office and then by the White House.

There is much to be done before agreement is negotiated that delivers substantive outcomes; ambiguity remains about precise textual meanings, including over the nuclear weapons program itself. It remains to be seen how far Kim Jong-il is willing and able to gain support from his military for the 'eventual abandonment' of the North's nuclear capacity. Effective monitoring of Pyongyang's adherence to its commitments will be a crucial issue. Much may depend on the security guarantees provided in the 'permanent peace regime' to be negotiated separately, presumably in the UN, and the reduction of US hostility.

Questions arise about other six-party participants. Even before President Bush effectively disavowed the Clinton 1994 Agreed Framework, the US as well as North Korea had failed to stick faithfully to that agreement. The US administration is already facing considerable opposition in Washington to the agreement. While the influence of Cheney's office may be weaker, influential hardliners continue to look for regime change in Pyongyang, seeing the deal as helping Kim remain in power.

Japan committed to providing energy assistance to North Korea as part of the package. Nevertheless, although Japan has long argued the vital strategic importance to it of removing North Korea's nuclear threat, Japan's Prime Minister Abe Shinzo has taken a firm stand against actually contributing to the energy commitment, reflecting the domestic politics around the

past abduction of Japanese citizens by North Korea. This position is seen as unhelpful by other six-party participants and Japan will no doubt be pressured to be more constructive.

The consequent heavy financial commitment by South Korea is also facing criticism domestically providing difficulties politically for an increasingly weak government.

There are some grounds for optimism, however. Compared with 1994, now there are six parties committed to the agreement, with China directly and actively involved. There is some consistency in the North's approach, the current agreement being similar to the principles articulated in September 2005; and Kim Jong-il and his military have much to gain from the arrangements. Moreover, President Bush has a strong interest in a successful outcome; history will not be kind to a president that left the situation in North Korea, Iraq, Afghanistan and Iran worse than when he came to power.

The lesson of the North Korean example should be seen in a wider context. The cost of the ideological rejection of the Clinton arrangements by President Bush shortly after assuming office is that North Korea, seemingly, is now a nuclear weapon state. The Cheney/Bush argument against negotiation with 'evil' means not resolving problems but stalemate, as the Baker/Hamilton Iraq Study Group report argued. The lesson should be applied now by the US to Iran where, as in the case of North Korea, previous opportunities have been summarily dismissed. The Iran situation is no less potentially dangerous than that of North Korea and resolving it similarly calls for diplomatic flexibility rather than confrontation.

17 February 2007

HANKYOREH

GAVAN McCORMACK

A deal in Beijing

On 13 February 2007, a historic deal was struck in Beijing commencing the process of the denuclearisation of Korea, comprehensive regional reconciliation, ending the Korean War, and normalising relations between North Korea and its two historic enemies, Japan and the United States. The agreement is complex, and its implications are enormous, not just for the peninsula. The following paper offers a preliminary analysis.

The ‘North Korea Problem’

The tectonic plates under East Asia have begun to shift. In a world where gloom predominates and resort to force to settle disputes is common, and more often than not indiscriminate, the prospect of war recedes, and a new order of peace and cooperation begins to seem possible, radiating out from the very peninsula that was in the twentieth century one of the most violently contested and militarised spots on earth. Japanese colonialism, the division of Korea and its consequent civil and international war, the long isolation and rejection of North Korea and its confrontation with the United States and with South Korea, and the bitter hostility between it and Japan: all these things suddenly seem to be negotiable.

With the end of the Cold War in Europe, accommodation replaced confrontation and the iron curtain was raised, but in Asia, especially on the Korean peninsula, things were more difficult. An accommodation was negotiated under Clinton in 1994 which successfully froze North Korea’s plutonium projects and brought bilateral relations to the brink of normalisation in 2000, only to be returned to square one with the advent of

George W. Bush. His administration's hostility, near to absolute, precipitated the collapse of the Geneva Agreed Framework, North Korea's withdrawal from the Nuclear Non-Proliferation Treaty (NPT) and, in October 2006, its nuclear test.

From August 2003, the United States and North Korea, flanked by the regional countries—Japan, China, Russia and South Korea—have been sitting around a table in Beijing from time to time to try to solve what is commonly called the 'North Korea problem'. There was, however, a fundamental difference of opinion over what was that problem: for the US, it was a matter of North Korean nuclear weapons and ambitions. Pyongyang had to be brought to heel because, as Dick Cheney once famously said, 'You do not negotiate with evil, you defeat it.' For regional countries (North Korea included) however, the nuclear issue was itself primarily symptomatic: it could not be addressed independently of the matrix of unresolved historical contradictions in which it was set. Denuclearisation and regional security were only likely to be accomplished as part of diplomatic, political and economic normalisation designed to address the tragic legacies of the twentieth century.

During those Beijing negotiations, for long the US would not talk to North Korea at all, or consider any form of security guarantee, or any form of phased, step-by-step, reciprocal mode of settlement. Any reference to the principles of the Clinton administration's Agreed Framework of 1994, in particular any revisiting the question of the provision of light water reactors to North Korea, was anathema. All it was prepared to discuss was North Korea's unilateral submission, or CVID (complete, verifiable, irreversible dismantling of its nuclear weapons and materials). Eventually, however, after prolonged and intense pressure from the majority (China, Russia, and South Korea), the US slowly yielded, retreating from position after position as it found itself unable to impose its will and unable to rely on the support of any of its partner countries save Japan.

September 2005 the agreement that failed

In Beijing on 19 September 2005 at last an agreement was reached. The US promised to respect the government of North Korea and to refrain from

attacking it. It accepted the principle of a graduated, step-by-step approach to achieve full nuclear disarmament and political, diplomatic and economic normalisation, and it agreed that North Korea's entitlement to light water reactors would be considered once it rejoined the Non-Proliferation Treaty. In other words, the US abandoned all of its previous positions and came to accept the position of the Beijing majority, which in turn was actually very close to the North Korean position.

It was the United States that then had to be dragged, protesting, to the signing ceremony, only after it had exhausted all possibilities of delay and was fearful of becoming what Jack Pritchard, formerly the State Department's top North Korea expert, described as 'a minority of one...isolated from the mainstream of its four other allies and friends', and when it faced an ultimatum from the Chinese chair of the conference to sign or else bear responsibility for their breakdown.

Immediately after pledging 'respect', however, at the closing ceremony in Beijing the US representative, Christopher Hill, made a statement denouncing North Korean illegal activities, declaring the intention to pursue it over human rights, chemical and biological weapons and missiles, and insisting that nothing in the Agreement should be considered as an endorsement of North Korea's 'system'. It was a clear a statement as one could ask for of continuing US hostility and refusal of respect. From the following day, the US launched financial sanctions designed to bring the Pyongyang regime down.

In other words, at the very moment when agreement was being painfully reached in Beijing, US policy on North Korea came under the sway of those whose loathing for the regime led them to be more concerned with achieving regime change than with solving the nuclear question. Having walked away from the Beijing process, the US refused all North Korean overtures for discussion, and launched a series of steps designed to 'strangle North Korea financially'. They were intent on literally closing it down, by delivery of a 'catastrophic blow' to the very fundamentals of the North Korean system. Banks around the world were pressured to refuse any dealings with North Korea because of allegations that one small Macao bank, Banco Delta Asia (BDA), had been dealing in counterfeit, North

Korean-made, hundred dollar notes. At issue were deposits amounting to twenty-odd million dollars, roughly the amount of money that the CEO of a US multinational would earn in a year. No evidence whatever was offered to support the US claims. South Korea's ambassador to the six-party talks, Chun Young-woo, referred to North Korea being 'besieged, squeezed, strangled and cornered by hostile powers', and noted that the talks had suffered from the 'visceral aversion' and 'condescension, self-righteousness or a vindictive approach' on the part of parties unnamed (by which he plainly meant the United States).

US actions during this period from late 2005 would seem to have been based on a combination of something called the 'Illicit Activities Initiative', the brainchild of Vice-President Cheney (recently detailed by Japanese journalist Funabashi Yoichi), and a design from Donald Rumsfeld's Pentagon under what was known as 'Operation Plan 5030' to subvert North Korea by ways and means short of actual war, including 'disrupting financial networks and sowing disinformation'.

The basic details of the negotiation of the Beijing September 2005 agreement as outlined here are well known: the 'North Korea problem', differently stated, was the 'US problem'. Yet so generally isolated and reviled is North Korea that one could get little sense of this from the global media. Instead, Pyongyang was almost universally blamed, both for its initial reluctance about the deal and then for refusing to honour it (when Pyongyang, facing clear US plans for its subversion, decided to demand that the light water reactors be provided as a precondition before it would fulfil its obligations). The International Crisis Group described the Bush administration as '[a]ttempting to squeeze North Korea into capitulation or collapse by wielding economic sanctions at the moment when negotiations were beginning to bear fruit, refusing to meet with the North outside the multilateral talks and pressing human rights concerns'.

C. Kenneth Quinones, a former US State Department official with considerable experience in negotiation with North Korea, said that he had been able on no less than three occasions in 2005 to find a basis for agreement between the North Korean and US governments only to have his efforts sabotaged by the Bush/Cheney/Rumsfeld leadership. He referred

to North Korea as being 'very precise and consistent in their positions' while by contrast the track record of the Bush administration was 'not one of diplomacy but rather one of vacillation, inconsistency and, ultimately, undercutting the position and the efforts of its own diplomats'. Tom Lantos, from January 2007 Chair of the House International Relations Committee, called on the administration to 'resolve the feuds within its own ranks which have hobbled North Korean policy'. In short, the Bush administration was torn between the advocates of regime change and of negotiated settlement; its diplomacy was 'dysfunctional'.

After its pleas for direct talks on the US allegations, and its offer to open an alternative account in a designated US bank, under appropriate surveillance, were rejected, and after due warning, North Korea then carried out its missile and nuclear tests in June and October 2006. Those tests are not to be defended, but their context should be understood.

North Korea's test, and the US elections

Some time later, and after United Nations Security Council resolutions condemning North Korea and imposing limited sanctions, the US position changed and the Bush administration agreed, for the first time, to direct talks with North Korea. These talks were held over three days in Berlin in January 2007, and a Memorandum of Agreement was signed under which North Korea would freeze its nuclear programs, stop its reactor, re-affiliate with the NPT and open its plants to International Atomic Energy Agency (IAEA) inspectors, as the first step towards full nuclear disarmament. In return the US would, as its first step in reconciliation, provide energy and humanitarian aid and pledge its best efforts to unfreeze the North Korean accounts in Macao. The US is also said to have 'responded positively' to North Korea's request for the conversion of the 1953 armistice into a peace treaty. Both sides expressed satisfaction, North Korea saying that the talks had been conducted in a 'positive and sincere' atmosphere, and the US referring to the outcome as 'positive'. Shortly afterwards, US Treasury officials met with officials from Pyongyang to discuss the Macao bank matter, after which it was widely reported that some proportion at least (most likely around US\$11 million) of the frozen North Korean funds would soon be unfrozen.

The Berlin agreement was then confirmed and fleshed out at a six-party meeting in Beijing on 8–13 February 2007. North Korea would within 60 days shut down and seal its Yongbyon reactor as the first step towards its permanent ‘disablement’, and bring back the IAEA inspectors. The other parties would grant it an immediate emergency aid shipment of 50,000 tons of heavy oil and an additional 950,000 tons of oil (or cash equivalent) when at the end of the 60 days the North Koreans presented their detailed inventory of nuclear weapons and facilities to be dismantled. Talks would begin between North Korea and the US and Japan aimed at normalising relations. The US would ‘begin the process’ of removing the designation of North Korea as a state sponsor of terrorism and ‘advance the process’ of terminating the application to it of the Trading with the Enemy Act. Five working groups were to be set up to address the questions of peninsula denuclearisation, normalisation of Democratic People’s Republic of Korea (DPRK)–US relations, normalisation of DPRK–Japan relations, economy and energy cooperation, and Northeast Asian peace and security. The parties pledged to ‘take positive steps to increase mutual trust’ and the directly related parties to ‘negotiate a permanent peace regime on the Korean peninsula’.

The process of steering the Beijing agreement towards full nuclear disarmament and diplomatic, political, and economic normalisation on the Korean peninsula will be prolonged and fraught with difficulty, but Washington’s readiness to start normalising relations with North Korea, removing the terrorist label from it and easing economic and financial restrictions on doing business with it, even before completion of nuclear disarmament, were major and unexpected concessions. An end to that half-century long embargo, and diplomatic and economic normalisation, would certainly meet North Korea’s ‘precise and consistent’ aims and render nuclear defences unnecessary. However, while the general principles were clear, the end objective seemed almost impossibly remote, and much remained vague about how to achieve it.

Some accounts suggest that North Korea suddenly became amenable to reason because of the UN Security Council Resolution 1718 and its accompanying sanctions (following North Korea’s nuclear test), or because of Chinese pressure, or severe economic conditions, but that argument

seems disingenuous. North Korea had scarcely changed its position since the Beijing talks began—or indeed since it entered the Geneva Agreements with Clinton. It had been ‘precise and consistent’, always been ready for a freeze, leading to step-by-step denuclearisation, but only as part of a process leading to security and normalisation.

It was the US position that had moved 180 degrees. Not only did it abandon its hardline early stance of refusal to meet or talk to the North Koreans, but it seems to have dropped, at least temporarily, three major matters that had been the subject of bitter contention:

1. HEU: the supposed secret North Korean highly enriched uranium-based weapons program—so important in 2002 as to have led to the collapse of the Clinton Agreed Framework and to the present phase of crisis;
2. BDA: the Macao bank counterfeit charges—so important in 2005–06 as to have been principal cause of a 12-month-long crisis. Christopher Hill, the chief US delegate in Beijing, announced as the delegates were about to disperse that this dispute would be settled ‘within 30 days’, which could only mean that it had already been settled;
3. LWR: North Korea’s demand for light water reactors, a key component of the 1994 Clinton agreement always fiercely opposed by the Bush administration but of the utmost importance for North Korea, cancelled by Washington at the end of 2002, when works were about 40 per cent complete, and bitterly disputed in 2005.

Whether these matters had all, like the Macao bank matter, been amicably resolved behind the scenes remained to be seen.

Bush shocks?

How is such an apparent Washington change of heart to be understood? The fundamental factors would seem to have been the US Republican debacle in the Congressional elections of November 2006 and the continuing catastrophe of Iraq, together with the increasingly sharp focus of the Bush administration’s attention on Iran, and the growing likelihood that the Middle East war would be greatly expanded. It was the more important for the administration to have something to show for the long Beijing process

the more that US diplomacy elsewhere was in tatters and the Middle East erupting. It may be that the degeneration of the Middle East might also be inclining the US towards an accommodation with China over boundaries of influence in East Asia. North Korea's October 2006 nuclear test also undoubtedly caught Washington's attention in a way nothing else could.

One Japanese commentator offered the following perspective: Bush was returning, essentially, to the Clinton Geneva formula of 1994, with the great change that Pyongyang had become nuclear on his watch—although the word 'freeze' was an anathema, and instead 'dismantling' was used at every opportunity. The Bush CVID formula had morphed into something like its opposite: partial, prolonged, unverifiable (any agreement would have to rely, fundamentally, on trust, since North Korea plainly possessed substantial stocks of plutonium and might be expected to try to 'salt' some away hidden from inspections against the possibility of negotiations over normalisation stalling), and reversible (since the experience of producing and testing nuclear weapons could not be expunged), and the Bush solution for Northeast Asia involved greater reliance on China (restoring a kind of 'tribute system'); for the first time, there was a real prospect of peace treaties (US–North Korea, Japan–North Korea) and normalisation on all sides. US Forces would serve no further function in South Korea and Japan under such an order and might in due course be withdrawn (or sent to the Middle East). Parliamentarians in Seoul were said to be talking of a South–North Korea summit in August 2006, possibly to be followed by a grand four-sided (two Koreas, China and the US) conference to establish a new peninsula order.

The 'Nixon shocks' of 1970 would pale by comparison with such 'Bush shocks'. South Korea and Japan face especially large consequences. For Japan, dependence on the US has been the almost unquestioned foundation of national policy for over half a century. A new level of subjection to US regional and global purpose, presupposing an ongoing North Korean threat, has just been negotiated. The prospect of anything like the above shift in US Asian policy would be devastating to Tokyo. It can hardly have been coincidental that previously unimaginable rumbles of criticism of the Bush administration began to be heard from Tokyo, from the Minister of Defense and Minister of Foreign Affairs no less, over Iraq, a 'mistaken' war

whose justification had not existed and which had been pursued in 'childish' manner, and over Okinawa, where the US was too 'high-handed'. Neither earned more than the mildest of rebukes from the Japanese Prime Minister. When the Beijing deal was struck, Japan was notably the odd-man out. Both Prime Minister Abe and his chief negotiator in Beijing, Sasae Kenichiro, protested that Japan could not be party to any aid to North Korea until the abduction issue was settled, so the financial tabs would be picked up by the US, China, and South Korea (Russia was assisting North Korea independently by agreeing to cancel 90 per cent of its debt, estimated to be in the range of US\$8 billion).

Prime Minister Abe Shinzo owed his rise to political power in Japan at least in large part to his ability to concentrate national anti-North Korea sentiment over the issue of abductions of Japanese citizens in the late 1970s and early 1980s. If the North Korean nuclear issue is now to be resolved, Japan faces the possibility of a reversal in US policy as relations are normalised with North Korea and China assumes significantly greater weight in US thinking. Japan found itself isolated at Beijing precisely because it had allowed domestic political considerations to prevail over international ones in framing the North Korean abductions of 1977 to 1982 as a unique North Korean crime against Japan rather than as a universal one of human rights (since in such a frame Japan itself would become the greatest twentieth-century perpetrator, and Koreans, north and south, the greatest victims).

In Seoul, too, specialists on South–North relations and major think-tanks expressed alarm that, after so long determinedly standing in the way of any solution to the underlying peninsula problems, the US now might be moving too fast. In the longer term, a united, denuclearised and substantially demilitarised Korea, rich in resources and high levels of education, at the centre of the world's most dynamic economic region, could be expected to play an ever more prominent role, perhaps the core role in the construction of the Northeast Asian Community that might, in due course, grow out of the Beijing–Six grouping, but in the short term the risk of suddenly destabilising the historic logjam of North Korea could be considerable, especially if, for example, the UN command were to be dissolved and US forces drastically or

totally withdrawn in the process of normalising relations with North Korea before the process of denuclearisation was complete.

As for North Korea, having stood firm in the face of denunciation, abuse and threat, having pressed ahead with missile and nuclear tests and ignored the UN Security Council's two unanimous resolutions of condemnation and its ensuing sanctions, in other words having stuck to its guns, both metaphorically and literally, it seemed to be on the brink of accomplishing its long-term 'precise and consistent' objectives—security, an end to sanctions, and normalisation of relations with both the US and Japan. It was something for its leader, Kim Jong-il, to relish on the eve of his 66th birthday (16 February). It would certainly not be easy for North Korea to give up the nuclear card, which it had already celebrated publicly as a historic event and guarantee of security, but the point of the Berlin and Beijing agreements was to construct a framework of trust and cooperation in which other 'assurances' of security would become unnecessary. That would be a long-term process, but it was beginning.

Repercussions

American neoconservatives were furious at their government's apparent reversal. Dan Blumenthal and Aaron Friedberg wrote that the talks were 'a step in the wrong direction', rewarding 'the world's worst regime' for its bad behaviour, and argued instead that the pressure should be stepped up, North Korean ships and aircraft subject to 'aggressive interdiction', and pressure applied to China to compel its cooperation. For Nicholas Eberstadt, 'the Bush Administration's North Korean climb-down has been almost dizzying to watch...[it] was proffering a zero-penalty return to the previous nuclear deals Pyongyang had flagrantly broken—but with additional new goodies, and a provisional free pass for any nukes produced since 2002, as sweeteners'. When the deal was done, former UN ambassador, John Bolton, denounced it as 'a very bad deal', making the Bush administration 'look very weak'.

It is true that in the short-term Kim Jong-il stood to be 'rewarded' by the kind of settlement underway, but the fact is that the greatest beneficiaries are likely to be the long-suffering people of North Korea. War, periodically

given serious consideration by the US, would have brought unimaginable disaster, not only to the people of North Korea but also to the entire region. 'Pressure and sanctions', as South Korea's former Unification Minister recently commented, 'tend to reinforce the regime rather than weaken it'. Normalisation, on the other hand, is going to require the leaders of North Korea's 'guerrilla state', whose legitimacy has long been rooted in their ability to hold powerful and threatening enemies at bay, to respond to the demands of their people for improved living conditions and greater freedoms. *Songun* (primacy to the military) policies have thrived on confrontation and tension. As the diplomatic and security environment is normalised they will have to give way to *sonmin* (primacy to the civilian) policies. A completely different kind of legitimation will be necessary.

If there is a North Korean 'lesson' in this, however, it might be the somewhat paradoxical one that it pays to have nuclear weapons and negotiate from a position of strength (unlike Saddam Hussein, or the present leadership of Iran), and that it helps to have no oil (at least no significant and verified deposits), no quarrel with Israel, few Arabs or Muslims, and no involvement (despite the rhetorical excesses of the Bush administration) in any 'axis of evil'. Undoubtedly it pays, too, to have neighbours like North Korea's, who have absolutely ruled out any resort to force against it.

The test for both North Korea and the US comes in the months ahead: can they begin quickly enough to build trust in sufficient measure to outweigh the accumulated half-century of hostility? Pyongyang's next step has to be to prepare and submit the inventory of its nuclear weapons, materials, and facilities. Kim Jong-il will have to deploy all his power and prestige to enforce such a commitment—if that really is his intention. Conservatives will undoubtedly resist and seek to avoid meeting such obligation, and the regime may be shaken because it has never before faced such a momentous decision. For the US, the test will be no less: the neoconservative base of the Bush regime will resist meeting US obligations, lifting the terrorist label, ending sanctions, winding up the Macao bank inquiries, 'trusting' and relating normally to a regime it has hated passionately. It too, in its own way, will be shaken.

The Beijing parties now head towards a new, multipolar and post-US hegemonic order in Northeast Asia. The six-party conference format might in due course become institutionalised as a body for addressing common problems such as security, environment, food and energy, the precursor of a future regional community. It is hard to imagine any event with greater capacity to transform the regional and global system than the peaceful settlement of the many problems rooted in and around North Korea. The Beijing February 2007 agreement may only be a first step, but its implications are huge.

27 March 2007

WALL STREET JOURNAL ASIA

TESSA MORRIS-SUZUKI

93,340 ‘returnees’

As the slow and difficult negotiations on North Korean denuclearisation unfold, one small group of a hundred people or so in Japan are watching proceedings with a unique personal interest. Some are Japanese, others ethnic Koreans. All are survivors of one of the modern world’s most tragic and forgotten ‘humanitarian’ projects.

Between 1959 and 1984, these few were among the 93,340 people who migrated from Japan to North Korea in search of a new and better life. Although this was described as a ‘repatriation’, almost all those who ‘returned’ to North Korea in fact originated from the south of the Korean peninsula, and many had lived all their lives in Japan. The glowing images of life which tempted them to Kim Il-sung’s ‘worker’s paradise’ came not just from the North Korean propaganda machine, but from the Japanese media,

supported and encouraged by politicians—including key members of Japan's ruling Liberal Democratic Party.

After decades in North Korea, around one hundred migrants have now escaped the harsh realities of life there and made the perilous return journey back to Japan. Other survivors of the same project who managed to escape have settled in South Korea.

The story of their migration has been almost entirely unheard by the rest of the world. But it urgently needs to be heard, because it involves an injustice that resulted in the deaths of thousands of people, and still causes deaths and suffering today. The history of this migration also reveals the complexity of Japan's connections with North Korea, and thus sheds important light on the impasse which their relations have now reached.

As secret documents from the Cold War era are declassified and testimony from survivors emerges, the true story of this mass movement is emerging for the first time. We now know that it was the product of a deliberate policy, designed and implemented at the height of the Cold War by the Japanese and North Korean authorities often working in concert and supported in various ways by the Soviet Union, the United States and the International Red Cross.

The episode starts in the mid-1950s at the height of the Cold War. Some 600,000 Koreans were living in Japan, most having migrated to Japan from the southern part of the Korean Peninsula during the colonial period (1910–45). Having been unilaterally designated 'foreigners' by the Japanese government, they had no legal right to permanent residence and faced discrimination, prejudice and poverty. South Korea was then an impoverished nation with an authoritarian government, and had no interest in taking them back.

Documents including recently released archives of the International Committee of the Red Cross show that from 1955 onwards, some Japanese bureaucrats and politicians, among them former Prime Minister Ashida Hitoshi and Okazaki Katsuo (a former foreign minister and influential ruling party power broker), began to develop strategies to encourage Koreans in Japan to 'return' to North Korea. Knowing that this was a politically explosive issue, they kept their role in the scheme covert and sought to ensure that the exodus was carried out under the auspices of the Red Cross. However, in the words of Inoue Masutaro (the senior Japan Red Cross official and former

diplomat who played a key role in the scheme), his government's real aim was 'to rid itself of several tens of thousands of Koreans who are indigent and vaguely communist'. To achieve that aim, he added, the government was prepared if necessary to 'instigate individual demands' from the minority community to go to North Korea.

Via their national Red Cross Societies, Japan made secret contact with North Korea in 1956 and 1957, urging its government to accept a substantial influx of Koreans from Japan. Meanwhile, Inoue and Japan Red Cross Society President Shimazu Tadatsugu placed intense pressure on the International Committee of the Red Cross (ICRC) to lend its support to a mass 'repatriation', thus enabling the scheme to be presented to the world as a humanitarian venture.

From late 1955 on, the ICRC was bombarded with messages from the Japanese Red Cross, many of them approved by the Japanese Foreign Ministry and other government departments. These informed the International Committee that at least 60,000 'North Koreans in Japan' wished to return to their homeland, and that failure to meet their demands would result in riots and civil disturbance. Lacking independent sources of information, the ICRC was strongly influenced by these statements. However, evidence tendered to a Japanese parliamentary committee in January 1956 suggests that the number of Koreans in Japan who genuinely wished to go to North Korea at that time was less than 2,000 (many of them belonging to the 3–4 per cent of the Korean minority who actually originated in the North).

The vast majority of those who ultimately left were persuaded by a subsequent propaganda campaign, combined with pressure from within Japan. The most important source of this pressure was an energetic drive by Japan's Ministry of Health and Welfare, initiated at the start of 1956, to slash the limited welfare payments available to members of the Korean community—a policy that must surely have made the prospect of life in communist North Korea more appealing.

North Korea's response was initially cool. It was happy to accept a small number of 'true believers', but it was having enough problems feeding its own people without accepting a mass inflow of immigrants. In 1958, however, North Korean leader Kim Il-sung dramatically changed course. Apparently

seeing the scheme as a source of skilled labour, and as an international propaganda coup which might damage Japan's relations with South Korea and the US, he issued a public welcome to ethnic Koreans from Japan, promising them housing, jobs, education and welfare.

Immediately, propaganda campaigns began to sweep through Japan's Korean community, orchestrated by a local pro-North Korean organisation but amplified by a flood of articles in the Japanese mass media. A 'Repatriation Cooperation Society', involving politicians from across Japan's political spectrum, was created to distribute information encouraging Koreans to 'return' to North Korea. Leading members included former Prime Minister Hatoyama Ichiro and ruling-party politician Koizumi Junya (whose son Koizumi Junichiro became Prime Minister from 2001 to 2006).

Another troubling aspect revealed by declassified documents is America's attitude toward the scheme. The US State Department was at that time focused on renegotiating its all-important security treaty with Japan, a process for which it relied on the cooperation of Japanese Prime Minister Kishi Nobusuke (grandfather of the present Japanese Prime Minister, Abe Shinzo).

When it first became aware of the repatriation plan around the beginning of 1959, the Eisenhower administration regarded it with concern. But once the Japanese and North Korean Red Cross Societies reached an agreement on a mass 'return' later that year, the Eisenhower administration took no practical steps to halt the unfolding tragedy.

The US Ambassador in Tokyo, Douglas MacArthur II, (who played a key role on the US side) told his Australian counterpart in 1959 that the 'American Embassy had checked Japanese opinion and found it was almost unanimously in favour of getting rid of the Koreans'. At this sensitive moment in US-Japan relations, the State Department was clearly cautious of intervening in a scheme that was a vote-winner for the Kishi regime. Besides, MacArthur sympathised with the public emotion, reportedly commenting that 'he himself can scarcely criticise the Japanese for this as the Koreans left in Japan are a poor lot including many communists and many criminals'.

In fact, although some were supporters of the Kim Il-sung regime, those who 'returned' to North Korea included tens of thousands of people whose

only dream was a better future for themselves and their families. While most were ethnic Koreans, their number also included over 6,000 Japanese nationals (mostly spouses of Korean men).

Testimonials from the small number of former 'returnees' who have recently slipped across the border out of North Korea recall the shock they felt on first arriving and realising the desperate poverty of the country to which they had come. Their plight was made worse some years after the start of the 'repatriation', when the North Korean government began to regard 'returnees' from Japan with suspicion and prejudice. Thousands were sent to labour camps. Of these, many were never heard from again.

Today in Japan, relatives of those who 'returned' to North Korea in the Cold War years watch the process of nuclear diplomacy quietly, but with intense concern. The support they send through unreliable communications channels is often the only means of survival for family members left behind in North Korea. While the story of the Japanese kidnap victims of North Korea has dominated news headlines, this tragic story of the 93,340 who were 'returned' remains little known, and hostility to North Korea, as well as fears for the fate of relatives in the North, makes it difficult for survivors now living in Japan to raise their voices. Anxiety about a possible mass 're-return' of the ethnic Koreans who left under the repatriation scheme is also a little-discussed factor at work in Japanese government calculations on its relationship with North Korea.

The slow process of dialogue that began at the six-party talks in Beijing holds out a faint ray of hope for the future of these divided families. In the meanwhile, it is surely time for their story finally to be told.

Japan

18 March 2007

SUNDAY AGE

RIKKI KERSTEN

Lest neither of us forget

The security declaration signed last week between Australia and Japan was truly historic. In forging an agreement in the area of defence, it was as if the last taboo between two wartime enemies had been overcome. Yet while we celebrate the triumph of trust over hatred, we ought not lose sight of the vitally important role of memory as an essential companion to this new stage in Australia–Japan relations.

Memory of war defines contemporary Japanese society in a fundamental way. If we are to make this new relationship with Japan work, we must understand how war memory moves and constrains the politics and culture of our ally. We must also engage in frank self-examination of our own memory of war and suffering. How does our perception of atrocities, accountability and blame relate to the discourses of pride and pain that define this question in post-war Japan? What do we know of each other's perception of the past, and can we accept the role of the past in our respective presents?

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In contemporary Japan, the Second World War is not so much a memory laid to rest as it is a weeping wound. Even as we celebrated the new defence collaboration with Japan, Japan's Prime Minister was openly questioning the factual foundations of the experience of so-called 'comfort women'. This astonishing development flies in the face of evidence unearthed by Japan's own historians. In 1992 Yoshimi Yoshiaki's discovery of documentary evidence in Japan's defence archives forced the Japanese government to acknowledge their role in forcing young women into prostitution for Japan's military on the front lines of battle across Asia. Suddenly, in 2007, the women who survived that experience are required once again to proclaim the legitimacy of their victimhood in an environment of political denial. Is this selective memory the kind that can underpin the new Australia–Japan relationship?

What many Australians perhaps don't know about Japan today is the breadth and depth of activism in the cause of remembering Japan's atrocities. The documentation of war crimes by Japanese historians, citizens and lawyers, and the activism of thousands of ordinary men and women for the sake of Japan's war victims is on parade daily in Japan's courtrooms, as Japanese volunteers support claims for compensation and apology from former forced labourers, POWs, Chinese survivors of the 1937 Nanjing massacre, 'comfort women', and many other categories of sufferers.

One pioneer in this respect was the historian Ienaga Saburo, whose 32-year struggle through the courts to contest official censorship of his high school history textbooks inspired a national movement that persists to this day. Net21 is the new manifestation of this movement, whose focus remains the accurate teaching of war history to the youth of Japan.

The memory of Japan as perpetrator is being rejuvenated daily through the dedication and personal sacrifices of these ordinary heroes of Japanese society. Emerging alongside the official narrative of denial, it is this grassroots narrative of acknowledgment that inspires trust.

What this tells us is that we are mistaken if we assume the government of Japan represents or reflects the full spectrum of opinion, much less memory, concerning Japan's war. Connecting with these counter-orthodox, unofficial streams of memory and responsibility should matter to us; indeed, these efforts should attract our acclaim and support. A recent fascinating

development in this counter-discourse in Japan was unleashed by Clint Eastwood's groundbreaking film, *Letters from Iwo Jima*.

The movement to embrace the identity of perpetrator in Japan has always had to contend with a concurrent wave of emotion, that of suppressed victimhood on the part of Japanese themselves. It has never been acceptable for Japanese to feel sorry for themselves for what they suffered during the war (the identity of nuclear victim is the exception to this rule). This predicament has been shared by Germans in the post-war world. In Germany, the lid was blown off this pressure cooker of suppressed emotion by Jorg Friedrich's 2002 book *The Fire*; Eastwood has performed that role for post-war Japan.

Eastwood's film has opened the door for Japanese to address their last war taboo: the victimhood of Japanese at the hands of their own wartime government. The wretchedness of the island campaign for those who fought without hope or light in the caves of Iwo Jima and Okinawa; the schoolgirls who were compelled to nurse Imperial Army soldiers in those death caves; the forced mass suicides in those caves as the enemy approached; the fire bombings of Japan's cities; the fear of thought police; the decades-long confinement in Siberia suffered by Japanese soldiers: the list is long and it is a simmering, smouldering issue in Japan today.

For Australians, it is the POW story that has seared its way into our post-war psyche. Australians will not forget the intensity of the deprivation and horror experienced by Australians in Japan's POW camps in Asia. It was that experience above all others that saw Australia lead the charge to have the Emperor tried as a war criminal.

Post-war pragmatism saw the emergence of a complementarity of prosperity for Australia and Japan. Finance fed the need to know more, to underpin prosperity with friendship, and so we engaged more deeply on a human level from the 1960s and 1970s onwards through exchange programs, working holiday visa systems and learning each other's language.

But now we have taken the next step, from trade to trust, by engaging in what must seem to some to be the most unlikely arena of defence and security. Surely our task now is not to celebrate the overcoming of a tragic past; it is rather to remember, to embrace what must be remembered in order not to be repeated.

Indonesia

October–December 2006

SMERU

JAMES J. FOX

Perspectives on development in Nusa Tenggara Timur (NTT)

As an anthropologist, I have always been suspicious and indeed invariably sceptical of explanations that rely on ‘culture’ to explain problems of development. Such explanations contribute too little to the understanding of the complexities of development and, in some cases, merely provide implausible excuses for a lack of development. It is more important, in my view, for the anthropologist to develop a broad-based analysis that draws from a variety of disciplines and that takes into account historical as well as social and political circumstances in its presentation. This is what I would like to do here, in outline form, in regard to Nusa Tenggara Timur (NTT).

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To begin with, it is best to dispel certain misperceptions. There is no single common 'culture' to be found in NTT. The populations on the different islands of the province comprise at least forty different ethno-linguistic groups. Thus the cultural traditions of Sumba are different from those of Timor, Alor or Flores. Similarly, on the large islands of Flores or Timor there are a variety of linguistically and culturally distinct groups. Compared with most other Indonesian provinces, NTT is most notable for its diversity.

Moreover, glimpsed from a wide variety of historical records, these different groups have been in frequent competition with one another. In the sixteenth century, there may have existed possibilities of wider political unification on Timor, and perhaps also in parts of western Flores through the imposition of rule from Bima, but these possibilities were snuffed out by the arrival of the Portuguese and then the Dutch. Thereafter rivalries between the Portuguese and Dutch dominated the political scene for over three centuries. The Portuguese only ceded eastern Flores and Solor to the Dutch in the later half of the nineteenth century and to this day the effects of the former Dutch–Portuguese rivalry continue to reverberate on Timor. No province in Indonesia has had quite as chequered a political history as NTT.

Already in the seventeenth century, traders of the Dutch East India Company judged the areas they claimed for themselves in NTT to be of little or no commercial value. They justified their involvement in the area as an effort to prevent Portuguese expansion. The one exotic commodity—high quality sandalwood—that had first attracted the Portuguese to Timor began to diminish significantly during the nineteenth century.

In the nineteenth century and into the beginning of the twentieth century Dutch colonial control operated through a system of 'self-ruling' domains presided over by local, Dutch-appointed rulers (*raja*). By this means, the Dutch were able to limit their investment in infrastructure to a minimum and still give the appearance of governmental control. Although now officially disbanded, this previous system of governance based on numerous small-scale, inward-looking local polities still exerts its influence in defining personal identities and delineating social interaction, including the patterning of marriage within and between groups.

The Dutch identified NTT as a '*minus-area*' of limited development potential 300 years before the Indonesian government officially classified the province as a *daerah-minus*. There were good reasons for this designation and these same reasons hold true to this day.

NTT has the poorest soils and lowest rainfall in all of Indonesia. The mountainous terrain of many of its islands limits the possibilities of extensive agriculture. NTT is also seemingly bereft of other valuable and exploitable resources. Moreover the province, located as it is in the outer arc of the Lesser Sundas, is part of an area in which the ENSO-El-Niño signal is particularly pronounced. This virtually ensures that once every few years—on average, one year in three—there is likely to be a drought. A listing of the severe drought years over the past century reads as a sad litany. Based on existing records, the following years were marked by drought: 1909, 1911, 1912, 1914, 1919, 1924, 1940, 1948, 1951, 1958, 1965, 1969, 1972, 1976 and 1979. The year 1983 was particularly bad and 1997–98 was one of the worst droughts of the century.

The lack of accessible water for much of the year has numerous ramifications. It places a heavy burden on women whose task it is to gather what meagre supplies they can, often at a great distance from where they live. Without access to adequate supplies of clean water, health is jeopardised—particularly in young children.

Under these conditions, farmers must strive to minimise risk rather than maximise production. Almost every year the months that precede the new harvest are periods of 'ordinary hunger' (*lapar biasa*) and with a relentless regularity, every few years there occurs a period of 'extraordinary hunger' (*lapar luar biasa*). And because there has been so little investment in the province and there are few alternative forms of employment, NTT has one of the highest proportions—if not the highest proportion—of farming families of any province in Indonesia. Through most of the 1990s, 86 per cent of the population of NTT was involved in farming. NTT is a province made up predominantly of farmers who are locked into some of the least productive forms of agriculture in Indonesia.

Farmers throughout most of Indonesia were given the benefit of nearly 15–20 years of subsidised fertiliser to adapt their agriculture to the Green Revolution. Farmers in NTT, however, missed out almost entirely on these benefits. Because farmers in NTT are predominantly maize cultivators and because BIMAS was directed to rice intensification and fertiliser allocations were based on rice production levels, NTT's total allocation of subsidised urea in the late 1980s, just before subsidies began to be reduced, was a mere 9000 tons! This allocation, out of a total national production of five million tons, was set at the same level as that for Jakarta, which is not an area noted for its farming population.

It is all too easy to blame cultural traditions for poverty and underdevelopment. Personally I have always been impressed by the resourcefulness of the peoples of NTT who must contend with many adverse conditions. Do I believe that NTT will develop? Yes, but not at the same rate as other more favourably positioned parts of Indonesia. As a consequence, larger numbers of the population of NTT will, as they have done for decades, migrate elsewhere. In the 1950s and 1960s, NTT produced a highly educated diaspora. Now, with the deterioration in local schooling standards, this diaspora will have to seek more of its education outside the province. If there is a cultural feature common to most of NTT, it is a high regard for knowledge and a willingness to pursue it wherever possible.

NTT needs substantial investment in all sectors of its economy—in particular agriculture. For NTT, the greatest return on investment would come, I believe, from a radical commitment to enhance education at all levels and to open the province to high-speed electronic communication as a means of overcoming its current state of marginality.

January/February 2007

FAR EASTERN ECONOMIC REVIEW

BEN HILLMAN

Aceh's rebels turn to ruling

On 8 February 2007, former independence fighter Irwandi Yusuf will become the first democratically elected governor of Indonesia's Aceh province. Sealing the end of three decades of conflict that claimed over 15,000 lives, the 11 December 2006 elections were a huge victory for the Free Aceh Movement (GAM), an organisation which turned in its weapons as part of an internationally brokered peace agreement in August 2005 in return for greater autonomy and rights to compete for political office. In a field of eight candidates, including one former governor, Mr Irwandi, who was in prison for treason when the tsunami struck two years earlier, and his running mate, Muhammad Nazar, a prominent independence activist, won 38 per cent of the popular vote. A rival GAM pair came in second with 17 per cent, giving the former rebels a combined 55 per cent of the total vote. Irwandi Yusuf now has a strong mandate, but governing the troubled province will require nothing short of political magic.

Mr Irwandi's first challenge will be to neutralise persistent infighting within GAM. Many observers actually predicted that GAM would fail at the polls as factional feuding produced two competing candidates for governor. GAM's 'old guard'—those connected with the movements' aging Sweden-based exiled leadership—squared off against a younger generation of GAM fighters and their supporters, most of whom were either fighting or in prison at the time of the armistice. Many of the latter group considered the exiled leadership to have lost touch with events on the ground in Aceh. Mr Irwandi emerged as the young Turks' leader by taking primary responsibility

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for former combatants' welfare in the Aceh Transitional Authority—the successor organisation to GAM. Mr Irwandi's public profile and popularity were further enhanced during his successful tenure as GAM's liaison with the Aceh Monitoring Mission (AMM).

Differences of opinion between the exiled leadership and the young Turks were apparent from the start of the peace negotiations, but an open dispute emerged at the start of 2006 (when elections were originally scheduled) over who should represent GAM as candidate for governor. The old guard put forward Hasbi Abdullah, the brother of GAM's Sweden-based foreign minister. But Mr Hasbi, a lecturer in economics, lacked respect among local GAM commanders and fighters for undertaking doctoral studies in Java during some of the worst years of fighting. In fact, led by Mr Irwandi and GAM spokesperson Sofyan Dawood, GAM's young Turks accused the old guard of heavy-handed nepotism, triggering a war of vitriol in Aceh's coffee shops and internet chat rooms, and causing much confusion among GAM supporters. Seeking to avert a crisis, GAM's exiled Prime Minister Malik Mahmud announced that GAM would not field candidates in Aceh's elections and that individual GAM members were free to contest them as 'independents'. By August 2006, however, the old guard decided to publicly endorse Mr Hasbi who had teamed up with Humam Hamid on a United Development Party—Indonesia's largest Muslim party—ticket, ostensibly because there were no 'independent' candidates representing GAM. Mr Irwandi reacted swiftly to the apparent double-cross by declaring his own independent candidacy. As evidence of the deepening rift, through its control of the GAM's supreme decision-making body, the old guard replaced Mr Irwandi as their representative to the Aceh Monitoring Mission.

Mr Irwandi's clear victory settles the score within GAM, and the general euphoria over GAM's win will help to mend fences, but the internal feud has become so embittered that GAM will struggle to transform itself into a united political party to contest future elections. Part of the peace agreement included special provisions for the formation of local political parties in Aceh (independent candidates were permitted to run for governor because it was assumed that political parties could not be formed in time to contest the gubernatorial race in 2006). Future elections for provincial and national

assemblies, the policymaking and budget-controlling arms of government, slated for 2009, are an even bigger prize for GAM than the governorship. But the internal feud is not the only obstacle to GAM forming a viable political party. Only days after the December 2006 poll, the central government released its draft law for political parties in Aceh, which significantly limits the influence that such parties will have. For example, local parties will only be able to field candidates with the backing of national parties, and nominees will have to quit local parties once they are elected.

In a further challenge to GAM's political strength, central government leaders have demanded that the organisation disband now that the gubernatorial has concluded in their favour. A GAM spokesperson, however, has insisted that GAM would not disband until after national assembly elections in 2009. Provocatively, Mr Irwandi has also promised that he will renegotiate the Law on Governing Aceh (LoGA), the July 2006 law that ratifies the Helsinki peace accord. The law covers contentious issues such as oil and gas revenue-sharing arrangements, the role of national police and military forces in the province, and the implementation of Sharia law. Mr Irwandi's determination to seek further revisions to the LoGA is bound to antagonise the main political factions in Indonesia's House of Representatives, especially factions such as the Indonesian Democratic Party of Struggle (PDI-P)—the largest in the house—that initially rejected any political role for GAM. In the end, even GAM representatives quietly admitted that the law's terms were more favourable than they had expected.

Another source of tension will be the creation of a Truth and Reconciliation Commission, mandated by the Helsinki agreement and the autonomy law. While such a commission might assuage local grievances over the short-term, the experience from South Africa, Central Africa, the Balkans, and Timor-Leste suggests that such processes can do more harm to the social fabric than good. A reconciliation commission in Aceh will place an enormous strain on community relations, and GAM's relations with the police and military. Some elements of the Indonesian Armed Forces will find it hard enough to accept that the organisation they were trained to destroy now occupies the province's highest office, let alone suffer criminal allegations.

Whether or not a Truth and Reconciliation Commission emerges, Mr Irwandi must give priority to addressing the needs of his primary constituents—GAM's former combatants and their networks of supporters, whose expectations have been buoyed by his win. In fact, Mr Irwandi's popularity is in large measure due to the fact that he was responsible for former combatants' welfare within GAM, and ensured that the peace deal prioritised their interests. But so far very little of the millions of dollars allocated by the central government and international donors to reintegration programs for former combatants has trickled down to the rank and file. Hampered by weak leadership and administrative capacity, the Aceh Reintegration Agency (BRA) has been conspicuously ineffective in disbursing funds. But addressing the longer-term needs of communities that have been impoverished by three decades of conflict will require much more than cash handouts. Mr Irwandi's new administration will need to devise an economic development strategy that creates jobs, gradually turning young men and women who have known only fighting into productive members of a peaceful society. Aceh is rich in resources and once prosperous industries including fishing, cocoa, coffee, rubber and oil palm can all be revived. There is also an estimated \$8–9 billion dollars of international aid to be spent. Delivery of aid has been slow, and there will be pressure on the Mr Irwandi administration to mobilise funds that have been stuck in red tape for two years. More funds must be allocated to rehabilitate long-neglected social services such as health and education. Local and foreign NGOs have erected schools and hospitals, but many schools are empty, lacking qualified teachers and education materials. Hospitals and clinics are similarly short on trained personnel, and large parts of the province still lack access to even basic health care. Another 25,000 victims of the tsunami still lack basic housing more than two years after the tragedy.

To ensure economic benefits are delivered with greater urgency and equity, Mr Irwandi will need to wrestle with Aceh's administratively weak and potentially hostile civil service. Aceh's civil servants suffer from low levels of education, poor training and are widely perceived to be among the most lacking in integrity in Indonesia, a situation exacerbated by distorted government priorities during the conflict era. And civil servants are traditional supporters

of Indonesia's Golkar Party (headed by Indonesia's Vice-President), which endorsed a rival candidate for governor. Many are worried that Mr Irwandi will replace them with former rebels, despite the governor-elect's assurances that he is more interested in changing the system than the personnel.

To allay fears among provincial assembly members and civil servants, Mr Irwandi will need to transform himself from a leader of guerillas into leader of a provincial government. He must resist temptations to work exclusively through GAM networks—his power base—in the implementation of reintegration and other social and economic policies, and begin working through provincial and district-level administrations. The provincial legislature controls the purse strings of Aceh's large budgets, and assembly members are wary of political GAM's ambition to win seats in their House in 2009. The 11 December 2006 poll also saw Acehnese cast votes for district executives (sometimes known as regents) in 19 out of 21 districts in the 11 December poll. GAM won in eight, but not all of Aceh's districts are pro-GAM. Local leaders in parts of Aceh's south and southwest have openly called for separation from Aceh and for the formation of new provinces.

Relations with Aceh's political elite and community leaders will also be tested by the implementation of Sharia law. Introduced to Aceh as part of the special autonomy package, Islamic law provisions establish a parallel legal system in the province. Bylaws already passed by the provincial assembly carry harsh sentences including public floggings for such religious crimes as inappropriate dress, extramarital sex, gambling and alcohol consumption. Shortly after the elections Islamic police raided a dozen beauty salons and arrested 13 female staff for wearing jeans and T-shirts and no head scarves. They also arrested two male customers for having their hair cut by women. Under Sharia, men should only receive such personal services from men. A new proposed bylaw goes even further by advocating the surgical removal of thieves' hands. Mr Irwandi, himself a moderate, has said he will veto such legislation, but he must tread carefully to avoid being branded anti-Islam by provincial legislators, all of whom hail from national political parties, and who see political GAM as a threat.

Mr Irwandi's confidence will be boosted by his landslide win, which suggests that his support extended beyond GAM strongholds. For many Acehese voters, it seems, Mr Irwandi represented the best hope for change in a province that is tired of decades of conflict, poverty and injustice. To serve them, Mr Irwandi will have plenty of resources at his disposal. In addition to billions of dollars in aid, new oil and gas revenue-sharing arrangements give Aceh an estimated Rp 70 trillion (US\$ 7.8 billion) per year. At the same time, the new governor's confidence must be tempered by the fact that Aceh's problems are simply too great for the new administration to face alone. With local technical and administrative expertise sorely lacking, reconstruction and reintegration efforts will require much assistance from Jakarta.

While central government leaders have said they will work with whoever wins the race, a number of issues will test Mr Irwandi's relationship with the centre. There will be heated debates over GAM's status, the role of new political parties and amendments to the LoGA. Some in Jakarta are worried that GAM will build on its new political victories to continue its struggle for independence. Mr Irwandi will have to show Jakarta that GAM is serious about working within the new autonomy framework. Giving post-election interviews in front of a GAM flag, as he has done, offends the spirit if not the letter of the peace agreement. Likewise, central government leaders will need to demonstrate that they are serious about their commitment to meaningful autonomy for Aceh. As it stands, the law on local political parties represents an effort to retain strong central control over Aceh's politics. So far both sides have shown their determination to uphold the peace, increasing hopes for future compromises. And while the future of GAM remains uncertain, Mr Irwandi's victory in Aceh's landmark poll has at least shown the former rebels that there is more to be gained from the political process than from armed rebellion.

May 2007

THE DIPLOMAT WEB FEATURES

PETER McCAWLEY

Indonesia's battle to rebuild

The recent news from Indonesia has—once again—been bad. And has brought much grief, for many Indonesians and for Australians.

Earthquakes, air crashes, landslides, passenger ferry accidents: it all seems to go on and on. Why does it keep happening? What can be done about this continuing string of disasters? Does Indonesia face a crisis? And is it time—some of the protesters in Jakarta have started suggesting—to hold President Susilo Bambang Yudhoyono himself to account for these problems?

Perhaps surprisingly the answer is: no, Indonesia is not falling apart. In some key respects Indonesia has been doing surprisingly well recently. But the bad news is that the disasters which hit the headlines reflect deep-seated problems of governance in Indonesia. With the best will in the world, these problems will take many decades to overcome.

First, the bad news. The earthquake in Yogyakarta in May last year killed over 5,000 people. On New Year's Day there was the extraordinary disappearance of a commercial airliner carrying 100 people near Sulawesi. For a while, the plane seemed to have vanished into thin air. After considerable bungling, it took days for the authorities to establish that the plane had crashed into the sea.

Then there was huge flooding in Jakarta in January which paralysed the capital for days causing chaos for business and suffering to millions of ordinary people in flooded slum areas. And the remarkable Lapindo Brantas mudflow saga near Surabaya in East Java continues on unabated.

This is a quite astonishing ongoing environmental mining disaster. A dramatic gush of mudflow which exploded at a mining site last May has so far proved to be unstoppable. Factories, villages and farmlands have been

swamped by the never-ending flow of mud. Over 13,000 people have been evacuated, losing their homes. And an Australian firm is one of the companies involved in the episode, reportedly facing possible legal claims.

The main reason that these and many other disasters are so unmanageable is that despite almost 30 years of strong growth up to the 1997–98 Asian crisis, Indonesia remains a poor country struggling to cope with a myriad of problems.

In Indonesia, as in most other developing countries, the capacity of the state to respond to the multitude of staggering challenges is very limited. Too often Indonesian official agencies lack money and staff to respond to natural disasters. They also lack money and staff to properly regulate and check safety standards in industries such as the domestic sea and air transport sectors.

Some stark figures illustrate the impossible job the Indonesian state has in living up to unrealistic expectations at home and abroad. In Western OECD countries in Europe and North America, government spending per person in 2004 (IMF estimates) was around US\$14,000 per year. In contrast, the comparable figure in Indonesia was the meagre figure of about US\$220. In other words, for every one dollar the Indonesian government has to spend on each citizen, Western governments have around sixty.

Clearly, OECD governments in rich countries have the resources to provide a huge range of services to citizens, including rapid disaster relief and tolerably good regulatory services. Indonesia and other poor countries do not have the resources to provide these services, nor will they, in some sectors, for many decades to come.

Foreign aid cannot fill the gap either. In most cases, foreign aid is a trickle when measured on a per capita basis. Furthermore, almost no donors are prepared to provide ongoing funding of routine activities in government agencies despite the fact that this is precisely where many of the problems of governance rest.

So does this mean that Indonesia is an awful mess? Actually, no. One must remember that the country is still coping with the long-term fallout of the traumatic economic and political crisis of 1997–98.

Before the 1997–98 crisis the Indonesian economy performed very well for almost 30 years. Growth was high. Poverty fell dramatically. The World Bank even declared Indonesia a ‘miracle economy’.

But the economic crisis that struck the region almost 10 years ago in late 1997 dealt a deep blow to Indonesia. The politics of the nation changed dramatically when President Soeharto resigned in May 1998. Despite the valuable political gains that flowed from greater democracy in Indonesia, the economic gains since then have been painfully slow.

Of all of the main countries affected by the 1997–98 Asian economic crisis—Thailand, South Korea, Malaysia, and Indonesia—Indonesia was hardest hit and has taken longest to recover. In the view of many observers, Indonesia lost a decade of growth after the crisis.

Against this difficult background, a good deal of the recent economic news from Indonesia has been encouraging. Key macroeconomic indicators have steadily strengthened since a strong team of economic ministers was appointed by the President in October 2004.

One particularly welcome piece of news is that economic growth has been edging up towards the magic figure of 7 per cent per annum, which was the long-term average for Indonesia for almost 30 years before the crisis. This rate, it is widely believed, is necessary to underpin a return to more solid long-term economic health.

Twelve months ago, in early 2006, the annualised economic growth rate was struggling to reach 5 per cent, a level that had seemed almost unachievable for some years. Growth in the latter half of 2006 appears to have accelerated to an annual rate of close to 6 per cent. The World Bank has suggested that growth throughout 2007 may edge higher.

A second notable macroeconomic gain is that Indonesia's total public debt overhang (foreign and domestic) has declined sharply in recent years. In the immediate aftermath of the 1997–98 crisis public debt spun virtually out of control, shooting up sharply from a comfortable 20 per cent of GDP in 1997 to almost 100 per cent two years later.

This loss of control over public debt was especially alarming because for the previous three decades Indonesian public debt levels had been managed with great care. The blow-out in public debt levels presented a dramatic picture to the international community of a country where the key economic managers had lost control.

Starting in 1999, Indonesia's economic ministers made tackling debt a high priority. As a result, public debt fell much more quickly than most observers thought possible. Within five years the total fell to just over 40 per cent by 2005. Combined with other improvements, this provided the government with useful room to implement other desirable economic policies.

Third, the foreign exchange rate is now quite strong and stable. Indeed, some observers have even wondered whether Indonesia's foreign exchange reserves are excessive and should be used to support more government spending. This is a complete turnaround from the situation after the economic crisis when Indonesia's external economic accounts were in chaos.

A fourth key change is that the political situation, although noisy and at times quarrelsome, is stable and is working tolerably well. Indonesian politics are currently rather messy, somewhat like the situation in the Philippines, but this is an inevitable result of political liberalisation in the post-Soeharto era.

Quite a few Indonesian observers complain that the President often takes too long to make decisions (some call him a *peragu*, a person who finds it hard to take tough decisions). However, he has bitten the bullet on key issues in recent months. Importantly, he has backed strong action against domestic terrorist organisations.

The establishment of a truly modern state in Indonesia should be seen as 'work in progress' that needs strong international support. Regional neighbours need to hope that Indonesia will continue to make progress and look for ways to bolster this progress at every opportunity.

And we need to be realistic about natural disasters and accidents in Indonesia. Bad news about these things will continue to arrive on a depressingly regular basis. Indeed, this is the normal state of affairs in developing countries the world over. Only a strong, effective state in Indonesia, with the sorts of generous resources that wealthy OECD countries currently have, will be able to respond to disasters in the way that rich countries have come to expect as normal.

It will, however, be many decades yet before a stronger Indonesia can respond to the heightened expectations held both at home and abroad.

East Timor

20 April 2007

CANBERRA TIMES

GEORGE QUINN

Presidential election results a worrying portent for East Timor

Timor-Leste's National Electoral Commission (CNE) has confirmed that a run-off will be held on 9 May between the first-round front-runners in the country's presidential election. Francisco Guterres (known as 'Lu Olo') supported by the powerful ruling party Fretilin will face Nobel Peace Prize laureate Jose Ramos-Horta, an 'independent' who will be widely supported by anti-Fretilin voters. But at the local district level an ominous trend has emerged in the first round of voting. The pattern of voting is casting a shadow over the second round and over the parliamentary election due on 30 June.

According to interim figures Francisco Guterres dominated polling in the three eastern-most districts of the country, easily scoring more votes there than all other candidates combined. In Viqueque, for example, he scored

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20,512 votes, drubbing his nearest rival Jose Ramos-Horta who managed just 5,627 votes.

But in the west of the country it was a totally different story. In districts along the border with Indonesian West Timor, and in the Oecussi enclave, Francisco Guterres scarcely troubled the scorer. In Bobonaro district Guterres collected just 4,701 of the 35,426 votes cast (these are interim figures, but I think they will be close to correct). In neighbouring Ainaro he appears to have scored 2,428 of 22,154 votes cast. In Covalima, Oecussi and Ermera he did a little better but averaged only about 20 per cent of the vote.

In short, voting patterns appear to confirm a deep cleavage between east and west in Timor-Leste. Between March and June last year when the nation's army fractured into hostile halves and Dili erupted into gang violence, the trouble was widely attributed to hostility between the country's easterners and westerners. East-west resentment still simmers in the streets and refugee camps of Dili, kept in check only by the watchful presence of United Nations police and Australian troops.

In the first round of the presidential election, the Fretilin candidate attracted just under 30 per cent of the total vote. If Fretilin's support in the parliamentary election remains at a similar level (and this appears likely) the party will be decimated in parliament, possibly clinging to as few as 20 seats in the new 65 seat assembly (down from 55 seats in the current 88 seat assembly). Of course, it is by no means certain that voting in the parliamentary election will exactly mirror the presidential result, but there can be little doubt that Francisco Guterres will lose, and lose heavily, to Jose Ramos-Horta in the second round of the presidential election. And if the subsequent parliamentary election can be kept clean Fretilin will be thrown from the back of Timor's exuberantly bucking mass of voters.

Fretilin, the ruling party since independence in 2002, richly deserves the hiding it is about to get. While former Prime Minister Mari Alkatiri pursued cautious fiscal policies, locking up oil and gas revenues in trust funds that will yield steady long-term income, he failed dismally to address his nation's more immediate problems. To a shocking degree, the rural infrastructure (market buildings, country roads, clinics, homes) destroyed in the militia mayhem of 1999 remains untouched more than seven years later. In Dili,

unemployment is the norm for the many thousands of young men who have flocked into the city since independence. It is their frustration that ignited much of the violence in the city last year.

The rank and file of Fretilin supporters, especially the hardliners at the centre of government, won't take kindly to election defeat. For them, Fretilin and independent Timor-Leste go together. After the sacking of westerners from the Timor-Leste Defence Force last year, the army is now overwhelmingly staffed by soldiers from the east. They have been humiliated by Alfredo Reinado—leader of the sacked westerners—who remains at large in the mountains of the interior revelling in his Scarlet Pimpernel popularity among the disaffected western youth of Dili.

A Fretilin loss in the second round of the presidential election may be tolerable (just) to Fretilin hardliners. After all, the presidency is a largely symbolic ceremonial office, and since independence they have learned to live with a non-Fretilin president in Xanana Gusmao. But real power resides in Parliament, and the parliamentary election will be fiercely fought. All the signs are that in the parliamentary election Fretilin is unlikely to significantly raise its current 30 per cent of voter support. Its only hope of a good result is to keep the turnout of anti-Fretilin voters low. There is, then, a real chance of intimidation and roughhouse tactics in the campaign and in polling on 30 June, and if this happens it will have to happen in the largely anti-Fretilin areas of the country's west.

To this volatile mix add east–west ethnic hatreds and guns. The eastern dominated army has strong Fretilin allegiances. If, as currently seems inevitable, Fretilin comes a cropper in the parliamentary election, or if it attempts to seize the election by intimidation and manipulation, it is possible that we will see renewed tension across the country. By July there may well be a face-off off between a defeated Fretilin with its army allies, and a westerner dominated, non-Fretilin president and government.

Even with peacekeeping troops and UN police thick on the streets this could be a formula for big trouble.

7 July 2007

CANBERRA TIMES

GEORGE QUINN

Securing peace a matter of mediation

East Timor's parliamentary election passed off without major mishaps. After polls closed last Saturday the nation's nightly TV newscast reported with an almost audible sigh of relief that there had been only one security incident—in the village of Lissapat about 60 kilometres southwest of Dili. I was there, and this is what happened.

Lissapat is a heart-wrenchingly poor village about six kilometres up a jolting unsealed road from the township of Ermera. Clinging to steep mountain slopes and always shrouded in cold mist at twilight it relies on the production of home-grown coffee for most of its meagre income.

Early on the morning of election day a young man approached the polling station in Lissapat's primary school. A United Nations police officer noticed something strange about his behaviour and gave him a 'friendly' bear hug. Under his ragged clothes he was carrying several steel darts and a knife. East Timor's electoral law strictly forbids the presence of arms of any kind in a polling station. The young man was instantly arrested, bundled into a police car and taken to the district capital of Gleno.

Word spread quickly through the village. A menacing crowd of around 30 young men soon gathered in front of the school. The United Nations police, led by an Australian police officer, tried to calm them, but they were angry and insistent: return the arrested man at once...or else. The 'or else' meant they would stop the transport of ballot boxes to the counting centre when polls closed later in the day.

They meant business and had a track record of involvement in violence. For some time the area around Ermera has been tense. Rivalry between the political parties Fretilin and the Democratic Party (PD) has become

entangled with passions produced by a maverick religious movement calling itself Colimau 2000. Tensions recently exploded in the neighbouring village of Urahou, leaving blackened stumps and charred piles of twisted corrugated iron to mark the places where half a dozen homes had been burned down.

A phone call brought a respected Catholic priest, Father Adrian Ola, up the ruined road from nearby Ermera to mediate. He took the side of the local young men and demanded the offender be released. Bewildered, the Australian police officer in charge demanded to know why the priest did not help him uphold the law.

‘It wasn’t as simple as that’, Father Ola told me later. ‘My immediate task was to prevent an outbreak of violence and help protect the legitimacy of the poll in Lissapat. Sure, the young man had been carrying weapons. He was wrong to do that, but an even greater wrong loomed. If he were not released, chances are houses would have been burned, people injured and the legitimacy of the poll in the village compromised. My first job was to keep the peace.’

The stakes were high. As negotiations continued heavily armed Australian troops from the International Stabilisation Force (ISF) stayed just offstage, warily patrolling the road on the slope below the school. Eventually the Australian police officer relented. Spitting choice Aussie language into his phone he ordered the release of the offender. Responsibility for transporting him back to Lissapat would be, he said, in the hands of the priest. But to his fury Father Ola refused to do this: ‘You took him away, you bring him back.’

Another round of prickly negotiations followed. Eventually a compromise was worked out. The UN police would transport the prisoner from Gleno to Ermera, and the church would take care of the leg from Ermera to Lissapat.

Later I talked to another UN police officer (not an Australian) who had been stationed in the tense nearby village of Urahou.

‘If it had been me’, he told me, ‘I would not have arrested the young man. Many men around here carry concealed weapons for personal security. It would have been enough to confiscate his weapons at the perimeter of the polling station and return them after he had voted. End of problem.’

But Father Ola had another agenda too. The arrested man and many of his supporters were members of Colimau 2000. Colimau 2000 has a veneer of Catholic piety, but relies on wacky rituals and beliefs, including belief that the local dead can be resurrected. The movement is growing fast and has fragmented into several branches. Some of these are harmless, but others are heavily involved in political intimidation and violent crime. The mainstream church is concerned and is looking for ways to reach out to the wayward followers of Colimau. Hence the priest's conciliatory approach.

Thus in one small corner of East Timor a tiny but complex flashpoint was extinguished. Australian police and soldiers played a key role in initiating and resolving the incident. For them, it was just another day at the office.

India

17 November 2006

THE COURIER MAIL

RAGHBENDRA JHA

Bring India into the club

Ha Noi will host political and business leaders from the 21 current members of the Asia-Pacific Economic Cooperation (APEC) countries during 12–19 November. The meeting is taking place against the backdrop of the all but certain collapse of the Doha Round of World Trade Organization (WTO) talks and the expressed need among the member countries to shift away from the original stated goal of APEC to serve as a catalyst for trade and investment. Since 2001 APEC has been emphasising a number of activities including policy collaboration and information exchange, particularly, but not exclusively, on security issues, that go beyond the strictly economic realm.

India applied for APEC membership in 1991 after the first moratorium on new members was lifted, but was denied. A second moratorium on membership came into effect in 1998 and is to be lifted by the 19th meeting

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to be held in Sydney in September 2007. Much has changed in India and within APEC since 1998 and the issue of India's potential membership of APEC has become relevant again.

Is there a case for APEC expansion, particularly to include India? A reasoned answer to this question depends on what one considers to be the primary functions of APEC—an organisation designed to facilitate trade and investment within the member countries (defined to include the provision of open regionalism whereby trade and investment liberalisation in the region is extended to all economies on a non-discriminatory basis) or an institution facilitating cooperation on a much broader scale and acting as a bulwark for peace and stability in the region.

Some commentators argue that if the former is the primary role of APEC then there could be a case against expansion of APEC to include India. An important principle behind the formation of APEC was the 'deepen first and broaden later' guideline used by the European Union. Efforts would first be made to extend trade and investment ties within APEC before its expansion. It can further be argued that, in this case, India may want to explore other institutional structures for trade and investment expansion. India has already gained entry into the important ASEAN+3 organisation for economic cooperation. Further, India can help in the formation of other possible Pan-Asian arrangements such as JACIK (Japan, ASEAN, China, India, and South Korea). Moreover, deepening of trade relations within APEC is proceeding only slowly with the members of APEC being involved in more than 40 bilateral Free-Trade Agreements (FTA) but no grand FTA.

Yet, there are strong incentives for both India and APEC to work for an expansion to include India. From India's point of view APEC is already functional and joining this organisation would save India the costs of negotiating another agreement. Moreover, adhering to the strictures of APEC would support advances in economic reform initiatives in India and deepen India's commitments to such reforms. From the vantage point of APEC India is already a major player in the Asia Pacific region. India's real GDP is US\$3.666 trillion in Purchasing Power Parity terms and

US\$719.8 billion at current exchange rates. This GDP is growing at over 8 per cent with a population growth rate of less than 1.5 per cent indicating sustained expansion of purchasing power. India's economic engagement with APEC countries is already quite deep. In 2005, 27.7 per cent of India's exports went to US, China and Hong Kong and 12.9 per cent of India's imports came from the US and China. There are signs of rapid expansion of such trade with Asia emerging as India's most significant trading partner. Australia's trade—indeed its strategic partnership—with India has also grown substantially over the past few years and shows considerable promise for further expansion. Thus expanding trade and investment relations with India would help deepen economic ties within APEC. On this count then there is a case for expanding APEC to include India.

An even stronger case for this expansion comes from the fact that for the new emphasis in APEC on policy collaboration and information exchange, rather than confined to being a trade and investment body, to succeed it is imperative to include major economies in the region that influence such exchanges. India certainly belongs to this category. Major issues in this category, such as cooperation on pandemics, e-commerce, security of trade and capital flows between nations, would certainly benefit from India's participation. Many APEC countries already cooperate with India in these areas and admitting India into APEC would yield economies of scale in such efforts for most, if not all, countries in the organisation.

Thus the relationship between APEC and India is more symbiotic than exclusionary.

15 August 2007

PAJAMAS MEDIA

ROBERT AYSON

India as a great nuclear power

The offer of the United States to supply American nuclear technology to India has not been universally acclaimed. India's opposition parties have attacked the deal out of claims that it leaves foreign policy hostage to Washington's influence, and there is no absolute guarantee that the deal will get approved by legislators in Washington, some of whom will claim that it weakens the nuclear non-proliferation regime. The Nuclear Supplier's Group (a group of countries which seeks to apply non-proliferation guidelines to the supply of nuclear materials) also needs to give its approval. Safeguards in the form of the subjection of India's civilian nuclear program to International Atomic Energy Agency scrutiny may reassure a few doubters, but many will hold on to the view that the aims of the Nuclear Non-Proliferation Treaty, which India assuredly will still not sign, have suffered a further setback.

But that's not the point. The deal transcends domestic politics. Nor is it really about the international legal basis of what the Indian and US governments agreed to at the end of July. The Indian nuclear deal is really about political symbolism. India now has the big tick in the box it was seeking. India has effectively been welcomed by the United States as an approved member of the international nuclear club. The signal has been given. Whatever happens now can't really change that.

The deal is part of Washington's welcoming of India as the next big thing in international politics. As the world's largest democracy and the second most prominent rising power in Asia (after China), India is part of the unofficial Asian quad (alongside the US, Japan and Australia), which some

political leaders in Washington and Tokyo are selling as a democratic concert but which looks a lot like a containment plan for China.

The main obstacle to Washington's warming to New Delhi was the tension over India's nuclear program. The tension began with the ostensibly 'peaceful nuclear explosion' India conducted over three decades ago. That rupture widened when India conducted a series of unequivocal nuclear weapons tests in 1998, which also brought neighbour Pakistan out of the nuclear closet. But as India's economic, diplomatic and military strength grew, so did the difficulty of treating this great power as a nuclear outlaw.

The trick will be to include India in the group of great powers for whom nuclear weapons possession is legitimate, but not to let the precedent extend it further. Pakistan lacks India's robust and democratic political processes; it allowed the Abdul Qadeer Khan network to engage in nuclear black market activities. Neither North Korea nor Iran have the political weight nor the safe reputation which justifies the 'great power' treatment accorded to India. Another inconsistency to the non-proliferation regime remains in the blind eye which is so often turned towards Israel's program, but this may be something of a special case that international politics has to put up with.

In extending this agreement to India, the Bush administration has not let a very dangerous nuclear cat out of the bag. It has given a seal of approval to India's status as one of the few great powers in international politics. But it's now largely up to the United States, India and the other great powers (including China) to see if future nuclear proliferation challenges can be effectively managed.

12 September 2007

THE AUSTRALIAN

McCOMAS TAYLOR

Friend in Asia

Uranium sales to India; social meltdown in Pakistan; the army patrolling the streets in Bangladesh: South Asia was very much in the news last week. We will be seeing much more of South Asia on the front page from now on.

With India as a world power and global economic giant, we are moving into uncharted waters, right? Wrong, according to popular historian William Dalrymple. Since at least the time of the Romans until the dawning of the Age of Imperialism, India, along with China, was the richest and most powerful country on earth. In the year 1600, Dalrymple estimates that India produced 22 per cent of global wealth. The great north Indian city of Lahore outshone Constantinople, and with a population of two million was bigger than London and Paris. Wealth flowed from West to East as Europe imported luxuries including spices, minerals and textiles. It was only with arrival of European swords and muskets that the direction of the flow was reversed. Imperialism built the great edifices of Britain, but impoverished South Asia.

At current rates of growth China is set to overtake the US in 2030, with India not far behind. If such breakneck development does not lead to total social and environmental collapse first, then as Dalrymple points out, a world economy dominated by the Asian giants is not something new, rather, it is a return to the historical norm.

How is Australia to position itself to take advantage of the opportunities that an emergent South Asia presents? What can we do as a nation to understand and participate in India's transition to great power status?

Increased trade is the most obvious way in which Australia can benefit from India's return to its position of global dominance. India already buys

most of our gold, and anyone with a telephone knows where the world's telemarketers are calling from. What other avenues of trade are open to us? India's insatiable demand for energy has naturally attracted the interest of the Howard government and Australia's uranium miners. But we are also world leaders in alternative green energy solutions including photovoltaic (solar), wind and geothermal technologies. India needs energy, but more than that, it needs clean, green and sustainable energy, and we are in a position to supply it. Australia's third richest man, Zhengrong Shi, has already made A\$2 billion selling photovoltaic technology in China. Surely someone can do the same in India. And no one can make a bomb out of a solar panel.

A second area of great potential growth is in the tertiary sector. Our universities already host 30,000 Indian students, but the great majority of these are at postgraduate level. Australian universities should be lobbying hard for fee-paying Indian undergraduate students. Their excellent levels of English and their familiarity with a British-derived educational system would enable them to slip easily into our tertiary system. Australian universities have a distinct cost advantage over our competitors in the UK and USA. We should be aiming to attract 100,000 Indian undergraduates to Australian universities within a decade.

How else can Australia contribute and benefit from India's growth? Everyone likes to complain about Australian bureaucracy, but in general our public administration and service delivery is streets ahead of its Indian counterpart. I have seen grown men quiver at the thought of trying to mail a parcel from an Indian post office. Public administration, streamlining and automation of governmental processes are areas in which Australia has excelled. I would like to see Australia actively supporting, contributing to, and indeed benefiting from reform in these areas in India.

India often boasts of its independent judiciary and fine tradition of rule of law. But delays in the Indian legal system are the stuff of legend, and justice delayed is justice denied. It can take decades for cases to be resolved, and litigants often die before their day in court. There are something like 30 million cases pending in India. At current rates it is estimated that it will take 300 years to clear the backlog. We have a relatively brisk and efficient legal system. Australia should be able to export our advanced legal

technologies and management systems to support much-needed reforms to India's grinding courts.

All of these initiatives demand sensitive and well-informed policy, and a cadre of specialists with South Asian expertise in the areas of language, politics, religion and culture. We need this to successfully negotiate and facilitate the emergence of South Asia, and to be able to operate sensitively in a South Asian milieu. Firstly, we need people with South Asian language skills. There is a false impression that everyone in India speaks English. In fact the figure is closer to 1–2 per cent, plus every tourist tout. There are 400 million native speakers of Hindi—almost as many as native English speakers. Another 150 million speak Urdu and there are similar numbers of Bengali speakers. Hindi is a beautiful, expressive poetic language (and is particularly well adapted for seduction, I am told). I would like to see Hindi enrolments increase tenfold in the next decade. Impossible? Chinese has grown from being a 'small-enrolment language' to have very substantial enrolments over a similar period. Why not the South Asian languages?

To build our relationship with South Asia, we need expertise. To build our expertise we need more support for South Asian studies at tertiary level. The Australian National University's decision to establish a new South Asia Centre in the College of Asia and the Pacific is a welcome step in the right direction. The new centre provides a new dedicated focus for undergraduate and postgraduate teaching in this area.

To attract students to South Asian studies we also need to develop South Asia in secondary schools. Some excellent work is already being done in this direction. But I still have the feeling that secondary teachers think that Asia equals China, Japan plus Indonesia. South Asia is still a distant blip on the radar screen for many. There also remains the challenge of positioning South Asia in a 'post-area studies' curriculum.

In the 1970s and 1980s, Australia invested wisely in developing China expertise, with the result that we have been well positioned to benefit from the growth of China in the decades that followed. For Australia to successfully negotiate the re-emergence of India as a great power, we need to think creatively and critically, and we need to develop capacity in this area. Now is the time for the Australian government to invest in developing South Asian expertise. This investment will pay very good dividends in the long run.

Fiji

6 December 2006

CANBERRA TIMES

NICOLE GEORGE

Coup spells more trouble for long-suffering Fijians

For the past week, Fiji's political stability has balanced on a knife-edge, with fears mounting that the country was headed towards its fourth coup in two decades. Yesterday, these fears were confirmed with Fiji's President, Ratu Iloilo, authorising the dissolution of Fiji's parliament, opening the way for a military take-over.

A struggle of political wills between Fiji's Prime Minister, the Australian-born commissioner of police and Fiji's military commander has preceded these events. But in all the reporting of brinkmanship, the accusations of shadowy figures 'behind the scenes' and speculation over what the military will do next, the social and economic impacts of yet another coup in Fiji have not been considered in detail.

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The most serious impacts of another coup in Fiji will be borne by the most vulnerable sections of Fiji's communities: the poor, women and children. This was clearly shown in 1987 when a military takeover toppled Fiji's elected government and brought the indigenous nationalist leader, Colonel Sitiveni Rabuka, to power. Fiji soon became something of a pariah state within the international community. Aid flows diminished, as did private investment, all of which meant little money flowing into government coffers. Harsh economic measures were put in place to stem the tide of economic decline and convince would-be investors, and the IMF, that the military regime was fiscally responsible.

Two currency devaluations in the next 24 months saw Fiji's dollar lose 33 per cent of its value. The price of imported goods increased, but these were not only luxury goods. Basic items such as fuel are imported in Fiji, which meant add-on costs across a range of sectors and dramatic increases in public transport fares.

In the longer term, the post-coup regime introduced a 10 per cent VAT again with the aim of further increasing state funds through an expansion of its revenue base. For Fiji's ordinary citizens, the sum total of such developments equated to reduced incomes and purchasing power.

These pressures were compounded by developments in other areas. State welfare budgets were slashed and the provision of welfare assistance became the domain of the non-government sector; faith-based organisations and women's groups aimed to provide practical support where they could. Many found themselves unemployed as a result of industry cutbacks in areas such as tourism. In the garment manufacturing sector, the government sought to increase foreign investment through the creation of exclusive economic zones, deregulated markets and laws which weakened labour organisation. The working conditions of the low-skilled, predominantly female labour force working in this post-coup 'growth industry' were highly exploitative and poorly policed by a regime which systematically chose to 'look the other way'.

At the same time, the physical safety of Fiji's populations was put in jeopardy by the events of 1987. Increased levels of violence in Fiji became immediately apparent as race-motivated attacks took place between Fiji's indigenous and Indo-Fijian community. The military regime responded

to local dissenters with punitive force. Pro-nationalist militias viewed such actions as a legitimization of politically motivated aggression and waged their own prolonged campaign of vandalism, arson and local abductions.

Apart from the enormous toll this took on families, levels of violence against women also rose dramatically, with the Fiji Women's Crisis Centre reporting a sixfold increase in incidents. A political culture defined by military aggression and disregard for rule of law seemed also to encourage a highly chauvinistic attitude towards women. This was perhaps nowhere better exemplified than in Rabuka's widely reported jest that Fijian men used idle hours on Sunday, the 'Christian Sabbath', to kick 'either a football or one's wife around'.

The 2000 coup saw some suggest that Fiji had become caught in a coup cycle. This was a civilian-led rebel insurgency with nationalist aims, which again resulted in an elected government removed from office. The prolonged political impasse which ensued saw waves of looting and rioting around the country. Incidents of intercommunal violence—assault, arson, rape—were also prevalent in this period, and some groups of Indo-Fijians living on the east of Fiji's main island were forced to flee their homes, taking refuge in emergency camps established on the west of the island.

In the longer term, the economic fall-out from the events was again severe. Tourism numbers fell dramatically and hotels and resorts were forced to stand down staff. Trade sanctions placed on Fiji by union movements in Australia and New Zealand had significant ramifications for Fiji's garment industry. Two thousand jobs were lost in this sector in the first month after the coup. Vulnerable populations living in squatter settlements on the outskirts of Suva were forced to accept food handouts and blankets, again provided by local welfare and women's groups.

Yet income loss during the period after the 2000 coup equated to much more than simply reduced economic means. Research into the impacts of this coup by Save the Children Fiji found that increased economic pressures intensified a range of other social problems such as domestic violence, child abuse, suicide, together with drug and alcohol abuse, as people of all ages reported feeling fearful, angry and powerless.

That Fiji should be heading down this road again, particularly with the events of 2000 still fresh in the minds of many, is nothing short of a tragedy.

Job losses in the tourism sector have already begun. Garment manufacturers have warned of dire consequences for their industry if the military's actions persist. Additionally, Fiji's Reserve Bank suggested on Monday that a currency devaluation may also be necessary. In economic terms, it seems history is repeating itself.

At the same time, Fiji's military leader has issued an ominous warning to those opposed to his actions, stating that 'if resistance happens, the military will not be very kind and will come after those who are inciting the resistance'. This suggests a return to the same punitive political environment which persisted in the wake of Fiji's last military-led coup.

The factors contributing to events in Fiji now are complex and contrast significantly with the political turmoil of 1987 and 2000. Nonetheless, the social and economic consequences for Fiji's most vulnerable populations on this occasion are bound to be similar to the coups Fiji has suffered in the past. The current conflict taking place in Fiji is a struggle for influence among Fiji's male elite, but it is Fiji's most vulnerable populations which will suffer the practical consequences of this contest. How will their plight be heard?

28 February 2007

CANBERRA TIMES

BRIJ V. LAL

Fiji: turmoil in troubled islands

On 5 December 2006, Commodore Frank Bainimarama, head of Fiji military forces, executed his nation's fourth coup in less than two decades. The flashpoint came at the end of an extraordinarily long period of threatened confrontation between a predominantly indigenous Fijian military and a Fijian-led government.

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This coup, like the previous ones, deposed a democratically elected government. Perhaps more importantly, it peremptorily sidelined the once powerful cultural and social institutions of the indigenous community, notably the Methodist Church, to which the overwhelming majority of the Fijian people belongs, and the Great Council of Chiefs, severing with a startling abruptness the overarching influence they had exercised in Fiji's national life.

Ironies abound. Finding themselves on the other side of the barrel of the gun, previous coup-supporting politicians transformed themselves into fearless defenders of democracy. Victims of previous coups, such as Labour leader Mahendra Chaudhry, accepted ministerial portfolios in the military appointed interim administration with alacrity: victims of coup one day, beneficiary the next. Such is the nature of political transformation in Fiji.

Indigenous opponents of the coup, including initially the Methodist Church, came around to supporting it as part of 'God's plan' for Fiji. God appeared to be on everyone's side. To complete the chaotic saga of limited transition to quasi-civilian rule, Commodore Bainimarama, in the beginning disavowing a political role for himself, accepted appointment as interim Prime Minister. He needs to remain in power, he told the Pacific Forum's Eminent Persons Group (EPG), because the military 'holds the view that it does not have confidence in any civilian authority to conduct [elections] unsupervised'. The EPG included Australia's General Peter Cosgrove.

An interim administration comprising Fiji Labour and the National Alliance parties—the latter failed to win a single seat in May 2006 elections—is in place and promises to remain in harness until at least 2010, when the next general elections might be held. Many in Fiji and in the international community feel the time frame excessive, but the military insists it needs it to prepare the country properly for elections. A new census will have to be conducted, electoral boundaries redrawn, voters 'educated', and the so-called 'clean-up' campaign completed.

Claiming mandate from the President, the military has mooted reviewing the constitution. In the present one, two-thirds of the seats are elected from racially defined constituencies and one-third from open, non-racial ones.

The military wants the country to move towards a completely non-racial system. Many in Fiji would welcome the change of direction. For far too long, preoccupation with race has hobbled Fijian politics.

But there are two problems. The President has no mandate of his own to authorise wholesale changes to the constitution. In the Westminster tradition, of which Fiji is a part, he acts on the advice of the elected government. His reserve powers are strictly limited. And second, any change to the constitution would have to be approved by an elected parliament. Only the widest possible consultation by the interim administration, of the type undertaken by the Reeves Commission in 1995, will give the proposed changes any chance of success.

As part of the military's clean-up campaign, many senior chief executive officers in government and statutory organisations have been sacked or sent on leave pending further investigation, including the country's chief justice, Daniel Fatiaki. So far, no charges have been laid and no one has been prosecuted, causing concern about the absence of 'due process', although the military hopes things would move quickly when the Anti-Corruption Unit gets off the ground. Gross abuse of human rights, amply documented by human rights groups in Fiji but denied by the military, have decreased in recent weeks, but a state of emergency remains in force, curtailing public protests and strikes and encouraging self-censorship.

Deposed Prime Minister Laisenia Qarase has challenged the illegality of the coup, and his case will be up before the courts soon. Others sacked or sent forcibly on leave have threatened a similar action. The battle will truly be joined when the courts intervene. The military says that the 1997 constitution is still in force (though breached rather more than observed in recent months). If so, will the verdict of the courts be upheld?

Commodore Bainimarama's coup was strange in some respects, long drawn out, announced months and months in advance. It was a coup by haemorrhage rather than by a single surgical strike of the type Sitiveni Rabuka executed in 1987. It provoked no massive public protest, partly because many actually believed that the military intervention was really about cleaning out corruption in government, approving the outcome though not necessarily the method.

Many Indo-Fijians had always shown a marked lack of sympathy for the staunchly pro-Fijian Qarase government, which came to power on the back of the Speight coup in 2000, and therefore saw no reason to mourn its demise. Many indigenous Fijians were genuinely puzzled by the sight of a Fijian army confronting a Fijian government. They were looking for leadership from their elders which did not come. The church and the chiefs were divided, hobbled and effectively sidelined by the military, and their elected representatives silent (and silenced).

The roots of the present crisis go back to 2000. After quelling the Speight rebellion, and a mutiny in November that led to the brutal killing of several rebel soldiers and which nearly claimed his own life, Commodore Bainimarama installed an interim government headed by former merchant banker Laisenia Qarase. His party won the 2001 general election in its own right.

Bainimarama expected the Qarase government to bring the perpetrators of the 2000 crisis speedily to justice. The government did the contrary. Some convicted of coup-related crimes were quickly released from jail on compulsory supervision order or on suspect medical grounds. Others found themselves safely ensconced in senior portfolios in government. Yet others were sent overseas on senior diplomatic postings. Qarase 'betrayed our trust when he went to team up with the very people who cause the political instability of 2000', Bainimarama said.

The introduction of controversial bills worsened matters, in particular one promising amnesty to people who made full disclosures of acts associated with political, as opposed to criminal, objectives during 2000. The bill was met with a howl of protest from across the community. Faced with massive opposition, the government 'categorically' dropped the amnesty provision a few weeks before the coup, but by then it was too little, too late: the army had crossed its Rubicon.

If the amnesty clause was dropped, many asked, what remained of the objection to the bill? Some thought that the military's own role in the violent suppression of the mutiny in 2000 might come under closer scrutiny, as well as the circumstances surrounding the removal from office in 2000 of President Ratu Sir Kamisese Mara.

Instead of heeding the military's publicly aired concerns about bad governance and bringing coup-convicted people to justice, the Qarase government dug in, chanting the mantra of mandate, buoyed by the support of over 80 per cent of indigenous Fijians in the May 2006 elections and by the operation for the first time of a genuine multi-ethnic, multi-party cabinet which had nine Labour ministers in it. The Fiji constitution provides that any political party with more than 10 per cent of seats in Parliament is constitutionally entitled to be invited into cabinet. In an effort to tame the tiger, the government sought unsuccessfully (and counterproductively) on several occasions to have the commander replaced, his powers clipped, and the military's budget cut.

By the time the government realised that the military meant business and agreed to meet all its demands at a meeting brokered by New Zealand foreign minister Winston Peters in November, it was too late. The soldiers marched in at 6 pm on 5 December 2006.

Many things remain unclear: the fate of the legal challenges to the coup; the future of the 1997 constitution; the reaction of the public, especially those unceremoniously removed from power. A deposed politician without his perks and Pajeros can be a dangerous animal. But one thing is clear. The military sees a larger, more permanent role for itself in the management of the state's affairs, as a major stakeholder and manager rather than simply an instrument of it. The military will remain a presence on the Fijian political scene for the foreseeable future.

Thirty-seven years after it became an independent nation, Fiji is still searching for a solution that will restore its pride of place in the region, and bring peace and stability that its citizens so desperately need and which that long-troubled nation so richly deserves.

September 2007

TURAGA

BRIJ V. LAL

Relocations

Waituri. The name is unfamiliar to me. It is, in fact, a settlement in the flat, damp, waterlogged Nausori hinterland a short distance from the local airport. From the late nineteenth to about the middle of the twentieth century, it was a sugar cane growing area, one among several on the Rewa delta and among the first to be settled by Indian indentured workers. When cane production was abandoned due to the perennially wet weather and low sugar output, Waituri became a rice settlement. But that phase too came to an end, in the 1980s and 1990s, when the economy collapsed after the 1987 coups and the local rice mill was closed down. For a decade or so, the place was abandoned and left to revert to bush, all the memories of the early days of toil and hope erased.

In the last five years or so, the place has again begun to come to life, from an unexpected source—Labasa. At first there were a few hastily erected tin shacks housing a few stray families. Then, as news spread of the opportunities the place offered, more people arrived, families and friends, escapees from Vanua Levu. The place now has the look of a new settlement in the making.

A massive internal dislocation is underway in Fiji, caused by the expiry of sugar cane leases under the Agricultural Landlord and Tenant Act. Whole areas of Vanua Levu have emptied: Daku, Wainikoro, Lagalaga, Nagigi. Places like Waituri offer these desperate people the hope of a new beginning.

Among the new migrants in Waituri are my own extended family of nieces and nephews and distantly related cousins. My older sister and her husband arrived there about six months ago to join their daughter and her family who

had relocated a few years ago. She died last week, after a long battle with debilitating diabetes and general undiagnosed ill health so common in the neglected rural areas of Fiji.

I arrive from Australia in time to attend her funeral. It is a strange sensation. My sister got married when I was very young. We saw her infrequently over the years. Once married, Indo-Fijian women were seen as a permanent part of their husband's family. Any lingering attachment to their natal family was discouraged as a sign of disloyalty to her new relations. We had no understanding of my sister's married life, the difficulties she might have encountered in her new home, the ways in which she might have tried to adapt and change. For all practical purposes, she was a stranger, her inner world unknown to us. The story of her journey is now lost forever.

It was this stranger's passing that I had come to mourn. My brothers, who had flown from Australia to attend the funeral, and I talked about our distant youthful days for the week we were in Suva together. We recalled stories and incidents from our childhood, the pranks we played on unsuspecting strangers, the things we did to amuse ourselves during the vacations, the furious soccer matches played with a ball made of rolled up newspaper in dry paddy fields, the surreptitious activities which, when caught, could lead us into real trouble (such as pour boiling water on pumpkin plants to kill them because we were so fed up eating pumpkin curry day in and day out), but, sadly, our sister's life was not, could not be, among our recollections.

Slowly over several days, the details emerged as long-forgotten memories were revived around the grog bowl. Our sister had several girls, all married now, and two boys, the older of whom died tragically a few years ago, crushed by the tractor he was driving. My sister never fully recovered from that tragedy. She had become a lost soul, people said, forlorn, given to sudden emotional eruptions when old memories of happier days returned to haunt her, which they did frequently. There is something unnatural about children going before their parents. As if all this was not enough suffering, her favorite grandchild died when the car she was in—on her way to school—plunged into the local river, drowning everyone in it. From then on, her grip on life began to weaken markedly, her zest for life gone.

My sister's daughters, none of whom had gone beyond high school, were bright kids but economic circumstances and social traditions had circumscribed their opportunities. That was the way things were then. They were lucky in having good, caring husbands, who had cleared the bush in Waituri, leased several parcels of land, and were growing vegetables for the local market.

They were doing well by local standards, and had plans for future expansion. Their spirit and endurance commanded respect. They had gone through so much hardship. And yet they remained undaunted, their spirit unflagging. The transition from being cane growers to vegetable farmers cannot have been easy. The rhythm and pace of life is different, there is no established and dependable community network to lean on for advice and assistance, but they are coping well, in fact, more than well.

Surprisingly, they don't regret leaving Labasa. The constant uncertainty of temporary leases, the absence of ready cash income to meet the daily needs, the unending grind amid diminishing opportunities, had taken their toll. In Waituri, the cash income, although small, is regular. There is a new future to look to. And there are better opportunities for children in Viti Levu.

The future of children weighs heavily with most Indo-Fijian parents. It has always been so. I recall my own childhood in Tabia. We were told by our parents that there was no future on the farm for all the six boys, that we had to look for other alternatives. We did. All of us eventually left the farm for other professions. We all now live overseas.

One of my nieces has two boys. One is in form four and the other in form six, both at Vunimono High School a few kilometres away. They are shy and deferential, eyeing me respectfully from a distance. I am a name to them, nothing more, a stranger who was a member of the family who had gone places, but whom they had never met except through images on the television and pictures in the newspapers. The older one tells me that he wants to become a doctor. That kind of ambition, in this kind of place, seems strangely incongruous. But, then, who would have thought that a boy from a primitive Tabia would one day become an academic in Australia. The boy is a straight-A student in school, and I have no doubt that he will realise his ambition. He has that steely determination, that hunger.

He, and others like him, will leave Waituri one day, just as his parents left Labasa. This place where they are growing up will some day come to be seen as a stopover in a long journey of displacement. This is where they will start, but not where they will end up. I wonder if these children, growing up with so much disruption and dislocation, will ever know the joys and satisfactions of growing up in a settled, cohesive community, ever experience the sustaining love that comes from belonging and attachment to a larger intimate group.

In the evenings, people gather at my niece's place where my sister spent her last days. A *bhagvata katha* is held every evening for thirteen days, the traditional mourning period for orthodox Hindu families. After the puja, people sing *bhajans*, devotional songs. They are poignant, cathartic and often heart-rending: about the purpose of our life on earth, its impermanence, about the futility of mourning for a soul which has escaped its earthly form to reunite with the universal, indestructible soul. We all join in, tears flowing freely, without embarrassment. *Koi Thagwa Nagariya Lootal Ho*: How some thief has ransacked our community (taken a beloved soul away).

People who come in the evenings are mostly from Labasa and a few whom the family has befriended. They are all migrants, facing similar predicaments, seeking solace and support in each other's company against the asperities and alienations of the outside world. A sense of community is evolving out of need and necessity, and from a shared sense of being unwanted, unwelcome strangers in this place.

The Nausori-Suva corridor is full of displaced Labasa people, I learn. They are contemptuously called 'Labasians'. Their rustic speech is derided, their willingness to work for a pittance scorned. They are seen as snatchers of other people's jobs. It hurts, a man says to me, to be called names, to be looked down upon, but what can we do? We have to feed our families and send our children to school. The very spirit of enterprise and the ethos of hard work, which are and have long been the hallmark of our community, helped us escape poverty and destitution, are now being spat upon. We will put our head down and keep to ourselves, a man says. Yes, I say to myself: this too will pass. We all live in perpetual hope.

Talk turns to politics as people ask me about my views on what is happening in the country. But I am here to listen and deflect questions. I realise, as

I listen, that the goings on in Suva have little relevance in Waituri. No one reads the newspapers here. Television news is watched, but people's poor English prevents a full comprehension of current events. Television is valued especially for the entertainment it provides. Radio is more common as a vehicle for the news of community events than for hard news. Death notices and religious programs instructing on the proper way to conduct important rituals and ceremonies are a special favourite.

Opinion about the coup is divided. Those who have more contact with the outside world are hoping for the best. The Qarase government's racially motivated policies are talked about. They didn't care about us, a man says. Everything was done for the Fijians as if we did not matter. But what has Bainimarama done, a man asks? The price of everything is going up: fuel, food, bus fares. We have no say in this government. Things will get much worse before they get better, seems to be the consensus. I detect a tone of despair and helplessness in the conversation. These are innocent, helpless victims of other people's ambitions and agendas, caught in circumstances not of their making and completely beyond their control.

So what's the way out, I ask? Work hard, mind our own business, educate the children and hope they will be able to migrate. That's the only way out. There is no future for us here. It all sounds so depressingly familiar. I am reminded of an old Mohammed Rafi song: *chal chal re musafir chal, tu us dunyia men chal*: go traveller, go to that other world...

History has a strange way of repeating itself. More than a century ago, our forbearers left their homeland in unhappy circumstances to build a better life for themselves and their children. But somehow, somewhere, things went horribly wrong. After a century later, fear and insecurity continue to stalk the life of the Indo-Fijian community. People are on the move again.

For many Indo-Fijians, Waituri, and places like it throughout Fiji, will be a temporary stopover in a long and unpredictable journey ahead. It is their temporary destination, but not their final destiny.

Philippines

29 May 2007

CANBERRA TIMES

BEN KERKVLIIET

Philippine President Arroyo's political killings

During her visit to Australia at the end of May, Philippine President Gloria Macapagal Arroyo will be applauded, wined, and dined. Australia's Prime Minister and other national politicians are likely to hail her as a champion of democracy and defender of peace. Australians should know, however, that since Arroyo took office in 2001, hundreds, perhaps thousands of Filipinos have disappeared or been murdered for peacefully exercising their democratic rights.

Estimates of the number killed vary. The Philippine National Police says about 150. Some non-government organisations in the Philippines say over 800; others report well over a thousand. Still other organisations contend that even those high numbers understate the extent of such killings because many victims' families are too scared to make their deaths public. Figures from the country's Commission on Human Rights indicate that as of May

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2006 the number of 'extrajudicial executions' under the Arroyo presidency exceeded the total under all three of the country's previous presidencies since authoritarian rule ended in 1986.

Whatever the figure, 'the impact of even a limited number of killings... is corrosive,' argues Professor Philip Alston, an Australian who led a UN Human Rights Council investigation in the Philippines in February 2007. 'It intimidates vast numbers of civil society actors, it sends a message of vulnerability to all but the most well connected, and it severely undermines the political discourse which is central to a resolution of the problems confronting this country.'

President Arroyo and her spokespeople typically refer to many of those killed as 'militants', a term the Philippine Armed Forces, the Philippine National Police, and even the major newspapers in the country also use. Notice, the killers are not called 'militants'. It's the murdered victims who get that label. Yet these victims and the people with whom they worked and lived are actually, according to available evidence, citizens involved in legal social and political advocacy. Also among the murdered are dozens of lawyers and judges noted for being defenders of such political activities.

A large number of victims are members of progressive political organisations which, since the late 1990s, have won a few of Philippine House of Representative seats reserved for 'party-list' candidates. These organisations advocate policies to fight corruption and to improve significantly the living conditions of workers, peasants, and poor people. Killing their local organisers and leaders began in 2001. Since then scarcely a month has passed without such a murder. An example is Maximo Frivaldo, shot dead in January 2006 while carrying his baby boy into his house in Camarines Norte (a province toward the southern end of Luzon island). Before becoming active in Bayan Muna (The People First Party), he had been a leader in a peasant advocacy organisation. Last February, 73-year-old Dalmacio Gandinao, a coordinator for Bayan Muna in Misamis Oriental (a province in Mindanao) was killed by gunmen barging into his house. Gandinao also chaired a local farmers association.

Numerous murdered citizens were members and local leaders of labour unions, peasant associations, and human rights organisations. Among them

were several agricultural workers active in a large strike during 2004–05 against the Hacienda Luisita, north of Manila in Tarlac province. Ricardo Ramos, for instance, was shot dead in October 2005, shortly after the labourers had won major concessions from the hacienda's owners. Ramos was a strike leader and also the head of the village council where he lived. Gunned down in June 2006 were George and Marciel Vigo. This married couple led a non-government organisation that, in partnership with a United Nations Development Programme project, assisted homeless and displaced families in Cotabato (Mindanao).

Among the dozens of journalists killed during Arroyo's presidency is Mark Palacios of Nueva Ecija (a central Luzon province), found dead last month, shot in the back with his head bashed in. He had been filing stories about corrupt politicians and police officers. Shot in April 2005 was Alberto Martinez, a reporter in Mindanao who also had been exposing nefarious activities of politicians and other public figures. He survived, but now is barely able to move and suffers constant intense pain. Although he named the two men who attacked him, one of them a soldier, no one had been arrested as of January this year.

President Arroyo now publicly condemns the assaults on political activists, journalists, and other conscientious citizens. Until a year ago, however, she scarcely acknowledged the killings. Only in mid-2006 did she appear to do something by creating a police task force to look into the cases. Later she formed an Independent Commission to collect evidence. This year, she asked the European Union to help that commission and instigated a few other measures. Thus far, however, authorities have filed charges against only a small number of suspects and found a couple of them guilty. Hence, nearly all of the crimes remain unsolved.

This pathetic prosecution record is probably because leading suspects for most killings are in the military and police force. The Independent Commission, after lamenting that it could not get access to as much information as it needed, nevertheless concluded that 'there is some circumstantial evidence that a certain group in the military...is responsible for the killings. To maintain otherwise would be closing one's eyes to reality'. Closing their eyes is what military leaders are doing. The Armed Forces of

the Philippines, Alston wrote, 'remains in a state of almost total denial...of its need to respond effectively and authentically to a significant number of killings which have been convincingly attributed to them'.

President Arroyo, the country's commander-in-chief, has made minimal effort to find out who in the military is involved. She has not even pursued a notorious army general, Jovito Palparan, whom the Independent Commission said had at the least 'contributed to the extrajudicial killings by creating ideal situations for their commission and by indirectly encouraging them'. Indeed, after this general retired last September, Arroyo reportedly considered making him one of her advisors. When Palparan said last February that he would run for Congress in May, a statement from the President's office said, 'He is qualified to do that. He can run, there is no prohibition.' Meanwhile, Arroyo has also failed to mobilise the police to rigorously pursue businessmen, large landowners, and other wealthy people who are strongly suspected of being behind the murders of numerous peasant and labour leaders and their supporters.

A significant part of the problem is that the President Arroyo and other authorities treat political activists as illegitimate. Alston reported that '... the executive branch [with Arroyo at the apex], openly and enthusiastically aided by the military, has worked resolutely to...impede the work of the party-list groups and to put in question their right to operate freely...'. The President, many of her cabinet members, and top-ranking military officers publicly refer to organisations and individuals championing honest government, better working conditions, social justice, and agrarian reform as 'leftists' and 'militants'. Prominent officials also publicly associate leftists and militants with communism and armed rebellion. So when Arroyo insists, as she does, on 'crushing the communist insurgency', and links that, as she has, to 'the fight against the left', she encourages military commanders and police officers to mistreat and kill political activists and journalists who criticise the status quo.

President Arroyo is by no means the only perpetrator of 'extrajudicial executions' in the Philippines. But she certainly has a lot to answer for.

Iraq

27 November 2006

CANBERRA TIMES

DEREK WOOLNER

Iraqi politics, not foreign militaries, will settle the future

A change of the political climate in the United States again has made Australia's military involvement in Iraq a topic of political and media debate. The political dynamics are similar to early 2004, when opposition leader Mark Latham promised to remove the Australian contingent by Christmas. Kim Beazley has committed a future ALP government to withdraw military forces from Iraq with the exception of the security detachment that protects embassy officials in Baghdad. The government predicts disaster, were this to happen and the US administration has again intervened in Australian politics against the ALP position.

Yet, as in 2004, the language of the political debate reflects little of what is happening in Iraq. Australia's politicians, as much as those in the US and Great Britain, are arguing about the consequences of events over which they now have little control.

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With elections not expected until the end of 2007, an Australian withdrawal could not begin until early 2008, say in about 15 months' time. In early November General George Casey, coalition commander in Iraq, said he expected Iraqi forces to take responsibility for security in 12 to 18 months. Australia has had little direct involvement in this role. The initial base of the Army Task Force Group, al Muthanna, was the first province turned over to Iraqi government control in June this year. The group remains in southern Iraq where the British are gradually returning other provinces to local control. There should, accordingly, be little controversial in the ALP's policy. In fact, if at the next election security in Iraq continues to be tenuous, public antipathy towards Australia's military role may well become a critical issue.

John Howard, as an adept pragmatist, is already changing his presentation of Iraq policy. He now emphasises the consequences for America's international prestige and efforts to contain terrorism if it left Iraq in circumstances that appeared a 'defeat'. Yet events in Iraq now are driven by their own situational logic.

Two years ago I wrote (*Canberra Times*, 30 June 2004) that America's handling of the insurgency in Iraq had been so inept its only course was to accept 'what Iraqi politics throws up, and that may be unpalatable and may even involve civil conflict'. Just how unpalatable Iraqi politics could be was quickly apparent and by the following October (*Canberra Times*, 6 October 2005) I was arguing that their dynamics had effectively undermined the only strategy for a successful coalition departure.

This was the Bush administration's argument that the insurgency could be defeated by establishing a unified national democratic government whose coalition-trained security forces would increasingly take over the fight. Instead, the introduction of democracy has accomplished the transfer of power along sectarian lines. Under its spiritual leader, the Grand Ayatollah Ali al Sistani, the cohesion of Iraq's majority Shia population delivered to the religious Shia parties and their Kurdish allies an effective majority in both the interim and the first permanent Iraqi governments.

During the interim government of 2005, the Shia and Kurds controlled the drafting of the new constitution. Drawing on the Kurdish semi-

autonomous zone (protected by the US and Britain since the 1991 Gulf War), the constitution allows the formation of autonomous regions through amalgamation of a number of provinces. These regions will be largely responsible for internal security and will control the revenue from new oil projects. Although bitterly opposed by the Sunni minority, the Constitution was adopted in a national plebiscite.

At the same time the Shia and Kurdish parties used control of government to infiltrate the national security forces with their militias. As militia attacks on Sunni communities increased so did accusations of involvement by the security forces.

The effective seizure of power by the Shia religious parties and the Kurds was de facto a civil war waged against the Sunni through politics, with the US military underwriting the transfer of power.

This, of course, was not what the Americans had expected. Over the last year they have continued to pursue the goal of a national unity government and have continually urged the government to rein in militias. The US has failed on both accounts. America urged Sunni participation in the elections of December 2005, thinking that this would dilute the influence of the religious Shia parties and hopeful a national unity government of secular leanings would result. It urged the constitution be revised and the concept of regionalism abandoned.

Instead, power continues to lie with the religious Shia and with the Kurdish parties, reducing the Sunni parties to impotent walkouts on important issues. The constitution has not been changed and, in October, the process for creating autonomous regions through local referenda became law. In a country where 40 per cent of weddings were once between Sunni and Shia, politics now is not about the idealism of democracy but the practice of communal security.

Following the destruction of the Askariya mosque in Samarra in February, communal violence has become civil war to all but the US military command. Attacks on Iraqis reached 40 a day in October, four times the rate of January. Around 150,000 Iraqis have become refugees in their own country. Both Shia and Sunni accuse the security forces of abduction, torture and murder. Citizens will not approach them for protection and turn to the militias

instead. In a culture where guns are linked to masculinity and vendetta is an accepted practice, militia revenge attacks have become the response to an undiminished insurgency. Even Ayatollah Sistani admits that he can no longer control his followers.

The coalition cannot alter this situation. For the last four months the US has moved forces to Baghdad in an attempt to dislodge sectarian militias. They have achieved no significant results. Only two of the promised six Iraq army divisions have deployed in Baghdad and some captured militia leaders have been released at the behest of the Iraqi government. Angered that operations against the Shi'ite militias have been at the expense of sustained pressure on the Sunni insurgency, the Iraq government is seeking greater control over the deployment of coalition forces when the UN's rules of engagement expire on 31 December.

Certainly, the US strategy is ineffective. There were 108 attacks a day on coalition forces in October, an increase of 160 per cent since January. In June, the American command in Anbar Province, western stronghold of the insurgency, estimated it needed an additional Division (about 16,000 personnel) to control the situation. The US commander in the Middle East, General John Abizaid, told Congress last week that the US could deploy an additional 20,000 personnel 'to achieve a temporary effect' but could not sustain them for long in Iraq. A Marine Expeditionary Unit of 2,200 will be sent to Anbar.

Would leaving Iraq in these circumstances amount to a 'defeat' of the US? The situation won't be any better in 12 to 18 months and may be worse, if growing tensions between the major Shi'ite militias break into open conflict. The future of Iraq seems more likely to be as loosely linked communities with equally vital links to other regional nations—a trend already underway. To the extent that this enhances the influence of Iran and Syria it will reduce America's international prestige and the next US administration will have to overcome that.

There is a vigorous debate over whether a coalition withdrawal from Iraq would invigorate global terrorism or instead the western campaign against it. America's apparent inability to leave Iraq seems as inspiring to Islamist extremists as the prospect of its expulsion. On balance, Iraq seems more

likely to be remembered as the Norwegian campaign of the ‘war against terror’. This Second World War disaster was a strategic error compounded by tactical incompetence. At least it brought Winston Churchill to power. The West has not yet been so lucky with Iraq.

22 January 2007

THE AUSTRALIAN

PAUL DIBB

Why did America get Iraq so badly wrong?

Whatever the outcome of the latest surge in American troop deployments to Iraq, the time has come for us to ask why the Americans are so bad at foreign policy. How come the world’s most powerful country has failed so badly in Iraq?

The issue here is not America’s awesome war fighting machine. Let’s remember that it only took three weeks of ‘shock and awe’ to thoroughly defeat Saddam Hussein’s ramshackle army. But here we are almost four years after that victory and there is simply no end in sight to the horrendous conflict in Iraq.

We all know that part of the problem was poor post-war planning: dismantling Saddam’s army and security forces, refusing to employ any former members of the Baathist party, and no clear ideas how to build democracy. It also seems that American troops forgot what they learned about counter-insurgency tactics (and not least how to win hearts and minds) in the Vietnam War over 30 years ago.

But America is good—very good—at conventional war fighting. It is poor—very poor—at counter-insurgency warfare and post-war reconstruction of a defeated country. As in the Vietnam War, too few American troops in Iraq speak the local language or bother to understand the local culture.

In both Iraq and Vietnam the governments the Americans tried to help have proved inadequate. Neither government in Baghdad or Saigon gained the legitimacy to inspire their own troops. And this has been the fundamental problem in both wars.

People like Condoleezza Rice proclaimed that bringing democracy to Iraq would be like bringing democracy to defeated Germany and Japan after the Second World War. But these two countries, unlike Iraq, were not artificial constructs whose borders were dreamt up by colonial powers. There was a strong sense of nationhood intact in Germany and Japan after the war. That is not the case in Iraq, which faces the prospect of ending up torn apart into separate warring provinces like the former Yugoslavia.

And where were the US State Department advisers and National Security Council staff when it came to warning the President George W. Bush that a weak and defeated Iraq would inevitably lead to Iran becoming the dominant power in the region? President Bush Senior did not allow his victorious army to march into Baghdad in the 1991 Gulf War, not least because he did not want to see Iran becoming the strongest power in the Middle East.

And yet that is precisely what is happening now. America has exchanged a relatively stable Middle East with a constrained Iraq for a region that will be dominated by a nuclear armed and ambitious Iran ruled by extremist Islamic clerics.

The International Institute for Strategic Studies has recently observed that the US and its allies were blinded by possibilities in Iraq: freeing the Iraqi people of a brutal regime; ensuring that a hostile dictator did not possess weapons of mass destruction; and creating a democratic government in the Middle East. These lofty aims have given way to a desperate effort to arrest a downward spiral towards chaos and disintegration.

There are now no really satisfying answers in Iraq. All of the remaining options are bad: a defeated US pulling out of Iraq would be disastrous for international order; digging in with more troops and incurring opprobrium for a failed venture will only further damage America's already gravely damaged reputation. Who actually now believes that America would ever invade North Korea or Iran? And if we do not believe that, we can surely guess what the regimes in Pyongyang and Tehran think.

In North Korea, Washington has proven incapable of preventing an impoverished dictatorship from consistently endangering the peace and stability of the world's most economically dynamic region. What sort of message does that send?

But America cannot simply wash its hands of Iraq and go home. As others have observed, the consequences of defeat in Iraq will be much more serious than those in Vietnam. Of course, the risks are different this time. North Vietnam was supported by the Soviet Union and China, but in Iraq no other great power is involved. In that sense the risk is lower.

When North Vietnam defeated South Vietnam there was widespread concern that the dominoes would fall in Southeast Asia to communism. That did not occur. But in the Middle East the risk is that, with the balance of power now destroyed between Iraq and Iran, Tehran will seek to intimidate neighbouring countries such as Saudi Arabia, the Gulf States and Jordan. As Nicholas Kristof said recently in *The New York Times*, instead of invading Iraq and creating a pro-American bulwark, the US fought Iraq and Iran won.

In the end, it is impossible to fathom exactly what the Bush team thought it was doing after the fall of Baghdad. Unlike Vietnam, Bush never had to worry that escalation in Iraq would bring an all-out global war. Instead, he seems to have been conned by defence secretary Donald Rumsfeld into accepting that more troops were not needed. Now, when it is probably far too late, he thinks another 21,500 troops will do the trick in downtown Baghdad. I doubt it. The US eventually had 540,000 troops in Vietnam (compared with barely a quarter of that number in Iraq) and still it failed.

The conclusion must be that Americans simply don't understand the world. Partly this is to do with the sheer size of US power. America is a world unto itself and tends to see everything as a reflection of itself. But at least another part of the problem, both in Vietnam and Iraq, is cognitive dissonance—a serious lack of understanding of other cultures (and that occasionally includes Australia).

As President Theodore Roosevelt said over 100 years ago: 'The country that loses its capacity to hold its own in actual warfare will ultimately show that it has lost everything.' That is certainly not an outcome that we as allies of the US want to see as the epitaph of contemporary US foreign policy.

8 March 2007

CANBERRA TIMES

CLIVE WILLIAMS

Australia's continuing presence in Iraq remains unclear

The Howard government's view is that we need a continued Australian military presence in Iraq for the country to be stabilised and a viable democracy to develop. It claims that if coalition troops were to be withdrawn prematurely, Iraq would provide terrorists with a platform from which to mount global attacks. Labor's view is that the key element is a political solution that stabilises Iraq and makes terrorism by international elements currently involved in Iraq less likely. Which has most validity?

To make some sensible judgments, one has to consider the nature of the insurgency, the aim of the terrorists, economic prospects, and the potential for continued external involvement.

The insurgency in Iraq has primarily been perpetrated by the minority Sunnis and, since the 2003 invasion, the violence has been directed mainly against the occupying coalition forces. The Sunni insurgency probably numbers about 20,000 fighters, with considerable local support. Thanks to Paul Bremer's mismanagement, unemployed Iraqi army, intelligence and security officers, and sacked Baath party members, soon provided the insurgency with a professional cadre.

The international terrorists in Iraq, also mostly Sunnis, including al-Qaeda in Iraq (AQI), probably number around 1,500, but are responsible for about 15 per cent of the violence.

The Sunnis favour the use of suicide vehicle bombs, ambushes and roadside bombs. The looting of old Iraqi army stocks before they were belatedly secured means that they suffer no shortage of explosive ordnance.

A major aim of deceased AQI leader in Iraq, Abu Musab al-Zarqawi, was to broaden the Sunni insurgency into a sectarian conflict against the sacrilegious Shi'ites by attacking Shi'ite markets and shrines. The coalition was slow to see the dangerous implications until it was too late. Zarqawi's provocation proved hugely successful—although it went against the wishes of al-Qaeda central.

For the past two years there has been increasing Shi'ite reactive violence and ethnic cleansing of Sunni neighbourhoods, particularly in Baghdad. The Shi'ites prefer personalised murder, often employing torture, to try to ethnically cleanse Sunnis out of desirable neighbourhoods, or to seek revenge for personal losses. They are also now using suicide car bombs to try to cause more Sunni casualties.

Shi'ite militant groups and security force death squads from the predominantly Shi'ite security forces probably total around 10,000 members, but the militia forces are growing. Militia groups like the Mahdi Army are poorly disciplined and often engaged in power struggles with rival militia groups and traditional tribal elements.

Shi'ite groups generally avoid attacking coalition forces unless it is a matter of prestige, revenge, or for control of a mosque or significant area. Over the past two years they have received some assistance from the Iranian Revolutionary Guards' Quds force, probably without Iranian government approval. The US claims that Iranian-made weapons, particularly explosively formed projectiles, have killed 170 Americans since 2004.

Ultimately, though, the Shi'ites know that democracy will deliver them Iraq because they are 60 per cent of the population, compared to the Sunnis and Kurds 20 per cent each.

The government, which remains predominantly Shi'ite, is weak, corrupt, and lacks legitimacy. There does not seem to be much chance of this changing as long as self interest prevails, and the US continues to exercise control behind the scenes. One positive sign though is its current apparently independent initiative for a regional dialogue, including Iran and Syria.

The US's main concern is Iran's political influence in Iraq. In recent months it has become proactive against any Iranian activity in Iraq, whether legitimate or not. There are suspicions that the US might also be encouraging

the terrorist group Mujahedin-e Khalq (MEK) to attack Iranian targets, both in Iraq and Iran. The MEK (which has Australian supporters) has been based in Iraq since 1987. It was disarmed by the US after the invasion but now provides a plausibly deniable lever against Iran.

What would change if there was a substantial coalition withdrawal?

There would still be considerable foreign commercial activity in Iraq (including Russian and Chinese) because of the huge under-exploited oil reserves. Further reserves are believed to exist that could make Iraq's oil potential comparable to that of Saudi Arabia. This includes the possibility of oil in the Sunni central western part of the country. If this proved to be the case, there would be less transition pain because it might not require the Shi'ites or Kurds to support the Sunnis financially. It could also be a factor for greater local Sunni political control because Sunnis, understandably, would not trust a central government in Baghdad to look after their oil interests.

Leaving the oil issue to one side, if coalition forces were removed from the scene, there would inevitably be continued sectarian bloodletting until the Sunnis and Shi'ites had exhausted themselves. Sunni and Shi'ite areas would probably end up more sharply defined geographically. (In the past, communities were often intermingled and intermarriage was not uncommon.) It is likely that both groups would soon be preoccupied with their own sectarian problems, with little interest in creating problems in neighbouring countries.

How valid is the claim by Bush, Howard and Blair that an unsecured or abandoned Iraq would become a platform for global terrorism?

International terrorism is largely Sunni and Arab, with its main focus on driving 'unacceptable' Western influences from Arab lands and establishing a Sharia dominated caliphate. Whether it would choose to continue to attack the West on the West's home turf would depend largely on Western policies and actions in the Middle East. This is the line taken in statements by Bin Laden and his deputy, Dr Zawahiri. Surprisingly few Western policymakers have taken the trouble to read them.

The future of the 1,500-strong foreign terrorist element in Iraq is a complex question. There has been a difficult relationship at times between the Sunni

insurgents and foreign terrorists, sometimes leading to local conflict. It seems unlikely that their presence would be welcome after a coalition withdrawal.

An Israeli estimate based on death notices on martyr sites suggests that many of the foreign terrorists are Saudis, and most of the rest, other Arabs, particularly Egyptians. The return home of the Saudis would have significant implications for politically fragile Saudi Arabia. Its past approach has been to ask Britain, France or the US to sort out its security problems. Terrorists returning home would constitute an ongoing problem for other countries of origin, but the problem is probably containable. Other terrorists would probably move on to Pakistan, Syria, Yemen or Sudan.

The overall US view of the Middle East seems to be influenced by Israel which sees its old enemy Iran as the big winner from a disengaged US. Destruction of Saddam's regime upset the regional balance by removing the strategic counterweight to Iran. What to do about a resurgent Iran is an important question, but attacking Iran would be foolhardy because of its response options—including withholding oil and possibly closing the Strait of Hormuz to merchant shipping.

Iraqi and Iranian Shi'ites obviously have a lot of religious common ground, hence the regular movement of leading clerics between the two, but the Iraqis are Arabs and the Iranians Persians, and both are strongly nationalistic. Iraqi Shi'ite POWs remember well how badly they were treated by Iran during the 1980–88 war. This suggests that the West could do worse than having an anti-al-Qaeda Iraqi Shi'ite strongman running Iraq.

Where does all of this leave Australia? The reality is that with no exit strategy we are currently captive to whatever the US does. It seems unlikely that a Democrat administration would want to maintain a substantial military involvement in Iraq post-2008. Some residual military elements would have to remain to safeguard the US's oil and political interests.

There is a reasonable case for Australia to retain a guard force for our embassy and a training cadre to try to instil standards of decency into the armed forces. (The same is needed with the police.) But the bonus from a reduced and non-combat Australian presence would be a reduced terrorist threat to Australians overseas, and less likelihood of an incident in Australia.

Russia

February/March 2007

THE DIPLOMAT

PAUL DIBB

A resurgent Russia?

‘We don’t believe we were defeated in the Cold War.
We believe we defeated our own totalitarian system.’

Vladislav Surkov

For the first time since the collapse of the Soviet Union 15 years ago, Russia’s arms exports to developing countries have surpassed those of the United States. This development reflects the growing strength of a resurgent Russia, which is the world’s indisputable leader in natural gas production and now rivals Saudi Arabia as the largest producer and exporter of oil. Russia intends to use its ‘energy superpower’ status to reassert its position in the world, and not only by exporting arms.

According to a new US Congressional study, entitled *Conventional Arms Transfers to Developing Nations*, Russia’s arms agreements with the developing world totalled US\$7 billion in 2005. They included selling

US\$700 million worth of advanced surface to air missiles to Iran, as well as upgrading its Su-24 bombers, Mig-29 fighter aircraft and T-72 main battle tanks. In our region, Russia sold eight IL-78M aerial refuelling tanker aircraft to China, which comes on top of sales of advanced fighter aircraft, submarines and destroyers to Beijing. Russia is also still the leading arms supplier to India.

In many ways, Russia's arms industry has staged a remarkable comeback since the collapse of the Soviet Union. The Congressional report observes that this has been helped by the fact that the developing world is in the grip of an arms race, with deals last year totalling US\$30 billion—the highest figure for the past eight years. The Russian media, however, compares the arms-sales race to the Cold War era: this time, however, it's not a political confrontation between two powers with different ideologies; it's economic competition and a battle for international influence.

Russia's economic prospects have clear implications for its renewed military ambitions. The economy has grown by 65 per cent since 1999 and, as a result, national defence spending has doubled in nominal terms (28 per cent in real terms) since 2003. This underscores the priority that the Putin administration is attaching to rebuilding Russia's armed forces. Defence expenditure for 2006 was expected to increase by about 20 per cent, and high natural gas and oil revenues should mean that this rate of increase is sustainable in future years. The decade-long downsizing of Russia's armed forces has now come to a halt and is set to turn around. It is likely that Russian military capability will increase considerably over the next decade.

Arms procurement is still small but rapidly increasing, the number and complexity of military exercises are significantly increasing, and in the Pentagon's view there is growing potential for Russian military technological improvements—if not unpredictable breakthroughs.

Prospects for a resurgent Russia

What will Russia do with its wealth and military power? A good bet is that it will combine them with a prudent appreciation of its geopolitical environment. Putin has focused on making Russia strong, independent and

united—not on building democracy. This emphasis on strength and unity is clearly reflected in Russia's foreign policy, which has become more self-assured. Its renewed status as a great power (*velikaya derzhava*) is stressed in all its international dealings now, especially with regard to small neighbours.

If, as appears likely, a further slide toward authoritarianism and Kremlin central control is more in prospect than democracy, then assertive tendencies in Russian foreign policy will grow stronger. There will be increasing Russian ambivalence in its relations with the West. The US and NATO are viewed in Moscow as having connived in reducing Russia's strategic space through the detachment from Russia of the Baltic countries, Ukraine and Georgia.

The depth of the turmoil that Russians have experienced since the end of the USSR is unimaginable to us in Australia. Russia today has contracted to its smallest territorial extent since before Catherine the Great. It has lost Ukraine (the heartland of early Russian culture), the Central Asian and Baltic republics and Georgia, Armenia and Azerbaijan. And the process of separation in the Caucasus and Moldova is not finished. The loss of Ukraine ('Little Russia') in particular is deeply felt among Russians.

There is also an acute loss of face due to Russia's greatly reduced importance in world affairs, and there is palpable anger about the way in which the West (America in particular) refused to countenance a Marshall plan to save the Russian economy when the USSR collapsed.

The loss of the Soviet Union's immense power, with little in the way of tangible economic rewards until quite recently, has resulted in the reassertion of Great Russian nationalism. This has been accompanied under Putin's rule by reversion to familiar old repressive state attitudes to freedom of speech and the media, and punishment of those who dare challenge Moscow's political primacy.

Worse, paranoia is growing about how the US and NATO are allegedly ganging up against Russia and plotting its further disintegration. Such fears appeal to a deeply embedded bias that the West is terminally hostile to Russia. Alexandr Solzhenitsyn has declared that NATO 'is methodically developing its military deployment in Eastern Europe and on Russia's southern flank'.

Such obsessions are fed by the presence of NATO military aircraft in Eastern Europe, US military in Central Asia and NATO forces in Afghanistan.

Russia's new foreign policy priorities are not difficult to discern. The first will be to continue giving precedence to what Putin calls 'the strengthening of the state represented by all its institutions and at all levels'. The second priority is reasserting Russia's natural sphere of influence in the 'near abroad' (*blizhnoe zarubezh'e*), where some 25 million ethnic Russians live. The third priority is to strengthen Russia's relationships with countries such as China, which share Moscow's worries about the dominance of American power. The Russian leadership is highly uncomfortable with US hegemony and deeply distrusts the Bush administration's policy of spreading democracy as a global panacea. Growing Russian strength is likely to revive prickly relations with the US.

As Coral Bell points out, Russia has perhaps the widest diplomatic options of any other world power: if it were to conclude a strategic partnership with China that would more or less restore a bipolar balance of power overnight. She also points out that if Russia were to make an alliance with the European Union, this would transform Europe's strategic standing vis-à-vis the United States. This seems unlikely; but Russia's new status may well generate a kind of diplomatic bidding war for its friendship. In Europe, Germany and France will be seen in Moscow as natural partners. At present, Russia provides 40 per cent of the European Union's natural gas supplies and 25 per cent of its oil. In Asia, Russia can also offer China, India and Japan what the US cannot: oil and gas. Russia's growing energy exports will give it new strategic leverage in Europe and Asia.

None of this is to underestimate Russia's weaknesses including serious demographic and health problems, poverty and the depeopling of Russia (its population has contracted by 4.7 million since 2000). But this is a highly educated and resource-rich country that has experienced catastrophes before: at the end of the Second World War it had lost 27 million people in four years and its GDP had collapsed by 40 per cent. Thirty years later, the Soviet Union was acknowledged as the equal of America as a nuclear superpower.

Russia and the international order

It is a serious mistake to think that Russia has been demoted for all time to the level of a second or third-rate power. Beyond 2010 the West will probably face a much stronger Russia—including militarily. Indeed, Russia's status as an energy superpower will enable it to project its influence internationally in a way that the USSR never could.

Russia now feels it has a choice between accepting subservience and reasserting its status as a great power and it has decisively chosen the latter course. Vladimir Putin believes that Russia's destiny is to be a great power again; a greatness that must be fostered in the face of Western attempts to undermine it. This direction almost surely promises greater tension—perhaps serious tension—between Russia and the West. And the Kremlin understands that the foreign supply of energy is the Achilles' heel of the West (US, Europe and Japan are the world's leading energy importers).

On the global stage, the re-establishment of Russia's military research and development capabilities and arms exports may well undermine existing international arms control and proliferation regimes. Indeed, Russia could turn out to be less cooperative than the old USSR in this regard. In many ways, the Soviet Union in its later years was essentially a status quo power. A resurgent Russia may be more willing to contemplate disruption in order to create strategic space, to re-establish itself. And it will readily contemplate the coupling of energy supplies and arms sales to this end.

A resurgent Russia will not be a recycled Soviet Union, either in terms of messianic ideology or territorial conquests. However, make no mistake: this renewed Russia will be strong, assertive and increasingly undemocratic. Its human rights record will not be pleasant, and it will definitely not be a consistent or reliable partner of the West.

This new Russia will aim to pursue a foreign policy that re-establishes, as a first priority, Russian dominance in its neighbourhood, especially in Ukraine and Eastern Europe. If this means clashing with NATO it may be prepared to threaten the use of force and re-establish old understandings about spheres of influence in Europe. It will not tolerate separatism in the

Caucasus or allow the Central Asian ‘stans’ to fall under US or Chinese hegemony.

Over time, Russia will become increasingly concerned about the security of its distant, resource-rich and sparsely populated Siberian province and it will collide with the aspirations of a strong China on its weak eastern flank. It will also not like Japan’s rising military power and is highly unlikely to return contested territories in the Kuril Islands to Tokyo.

As early as 1994, the Russian Foreign Ministry argued that any ‘strategy of partnership’ between the West and Russia rested on an uneasy foundation given what it described as a Western policy of ‘double containment’ aimed at limiting Russian influence and reducing Russia’s status to that of merely one nation among many in the global order. Russia is simply too big for that, and has never reconciled to considering itself a minor state in the world. Better that Moscow should go its own way, following historical precedent, recognising that Russia has never been a part of Western society nor ever been considered a Western democracy.

But what if...

But what if these predictions of a resurgent Russia are wrong? There are at least two other possibilities. One is that Russia continues to muddle along for very many years without any great improvement. The other is for the disintegration of the former Soviet space, with Russia becoming a failed state. Neither of these scenarios would necessarily be reassuring to the international community.

The ‘muddling along’ scenario might well lead to an increasingly bitter and resentful Russia, and one even less inclined to be cooperative over key international crises as it increasingly focuses on its domestic problems. If anything, a stagnant Russian state might be even more likely to play a spoiling role and align itself more closely with rogue states and other actors capable of undermining the Western system.

Russia as a failed state would be horrendous to contemplate. While its end might result in the final removal of any military threat from Russia, the process of disintegration could risk the wildcat use of military force—

including nuclear weapons. And it would be prone to penetration by Islamic terrorists and separatists in its bordering provinces.

Some Russian commentators (for example, Yegor Gaidar, a prominent architect of Yeltsin's economic reforms) postulate that the pattern of the Yeltsin/Putin era—that is, disorder and economic chaos, followed by authoritarianism and widespread imperial nostalgia—matches that of Weimar Germany in the period 1918–33. That is a scary, but unlikely, scenario. Although Putin displays some of the characteristics of a 'Tsar of all the Russias' it is important not to see Russia either through a Cold War prism or that of Hitler's Germany.

We just have to get used to the idea that the most likely outcome is the re-emergence of Russia as a great power—and a not particularly friendly or cooperative one at that. The difference this time is that the West is becoming more dependent on Russia for energy supplies. The days of pushing a weak Russia around are over.

Cuba

April/May 2007

THE DIPLOMAT

BEN HILLMAN

Cuba after Castro

Despite wishful thinking on the part of US foreign policy hawks, Cuba's government will ultimately survive its leader Fidel Castro, giving the octogenarian his final 'victory'. A critique of US Cuba policy conceded as much in the January–February 2007 issue of *Foreign Affairs*.

After more than six months of smooth transition, Castro's health is now almost beside the point. Provisional leadership has been handed over to Fidel's brother Raúl and a handful of senior administrators who have anyway been running Cuba for decades.

But once the unifying and charismatic figure of Fidel Castro is gone, the perilous state of Cuba's economy will increasingly test the legitimacy of Cuba's new leadership.

The most striking feature of Cuba's economy is the disparity between the ideology of the socialist economy and the realities of everyday life. When the Soviet collapse of the early 1990s brought the Cuban economy to its knees,

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reportedly causing the average Cuban to lose 2.5–4.0 kilograms in weight, in desperation Cuba's Communist Party leadership began experimenting with limited market reforms.

The US dollar was made legal tender in 1994, helping to facilitate foreign investment. Hundreds of new joint ventures, particularly with European firms, sprang up in tobacco, tourism, communications, food processing and mining.

Cuba's leadership innovated in other areas, too. Faced with the loss of Soviet agricultural fertilisers, Cuba's government announced it would become a world leader in organic farming, and allowed farmers to sell part of their produce at market prices.

While Cuba has recovered from the immediate crisis of the early to mid-1990s—what Castro called the 'special period'—its partial market reforms have created a host of new economic problems.

For one, inequality is on the rise. With the introduction of the dollar, Cuba's economy effectively split in two—the dollar economy through which imported luxuries and special services like coach transportation could be acquired, and the local peso economy. Foreign tourists and those with access to their cash began circulating in a world of hotels, restaurants and nice cars, while most ordinary Cubans continued to queue for hours at ration stores and bus stops.

Concerned at this growing inequality, Castro decided in 2004 to ban the US dollar. But this had little impact on the dual economy, because the convertible peso, or CUC, took its place. Worth 25 times an ordinary peso, it has now become the chief currency of exchange for most goods and services, including those sold in state-owned enterprises.

Local pesos, the currency in which Cubans receive their salaries, are increasingly useless. On payday Cubans waiting to switch their peso salaries into convertibles can be seen forming long lines outside moneychangers. But their salaries amount to only a handful of convertibles—about 12 per month (A\$15) if you're a doctor, making life untenable without an alternative source of income.

Some have sought to ease the economic burden by leaving. Since 1994, more than 300,000 Cubans have left for the US, bringing the Cuban-American population to 1.5 million, 10 per cent of the Cuban population.

For those who remained behind, the biggest challenge became how to escape the local peso economy. Between one-third and two-thirds of Cubans receive remittances from relatives in the US, although US sanctions force money transfers through third countries, increasing the costs. Since Castro banned the US dollar, however, the costs of exchange have risen even further.

Cubans working in the growing tourism industry are among the lucky few with direct access to convertibles. Hotel and restaurant staff can earn more in tips from mojito-swilling and cigar-puffing tourists in one night than a doctor can earn in a month. Havana taxi drivers do well, too.

But jobs in tourism aren't easy to come by—not only do Cubans need connections, but they now often have to pay for the privilege. According to a former employee at the Hotel Nacional's prestigious cabaret, the going rate for a bar job is 600 convertibles, or approximately six years' salary.

In fact, Castro's efforts to clamp down on inequality have simply forced more economic activity underground. When private street stalls selling food were shut down, food producers began supplying state restaurants with 'contraband' ingredients that could be sold off the books. Sales from lemonade and ham sandwiches can go straight into staff pockets when the ingredients don't come from a state supplier.

To raise revenues, the state has increased the price of imported goods, which means most consumer goods. But these efforts have largely failed as Cubans increasingly turn to the bustling black market for most of their daily needs.

There's a black market for everything from taxi rides to the gas that taxis run on. According to one Havana taxi driver, 'Cubans don't buy anything in the state shops unless they have to. It's too expensive. We always get what we need through somebody who knows somebody.'

Outside of the state-run hotels, tour companies and a handful of strategic industries like copper and tobacco, Cuba's black market has become the real economy. While there is no hard data available, most observers estimate the informal sector to be many times larger than the formal sector.

The black market is now such a normal part of everyday life that trade is an open secret and a popular subject of jokes. One private taxi driver—'private' being a euphemism for 'illegal' in Cuba—apologised for having to

charge a little extra for the ride because he was running on state gas, as black market fuel was in short supply that week.

Growing up in the shadow of the black market and skyrocketing living costs, Cuba's youth have become increasingly sceptical about the state's socialist rhetoric. As Havana University student Tina observes, 'People talk about Socialismo and Capitalismo, but in Cuba we have Fidelismo—which means whatever Fidel says it means.'

While Cuba continues to provide its young people with free education (the youth literacy rate is 99.8 per cent, according to the United Nations Development Programme's Human Development Report), increasing numbers of school graduates are shunning formal employment.

According to accounting graduate Alfredo who sells black market baseball caps for a living, 'Young people don't want real jobs any more. They see you can make more money buying and selling on the black market.'

Humberto, a scientist in his forties who quit his job at a research institute to work as a bookkeeper at a busy Havana guesthouse where he is paid in convertibles, explains the frustration: 'Back in the 1980s we earned 250 to 300 pesos a month. We lived well on that. Everything was cheap. Now we still earn 250 to 300 local pesos a month, but we can't buy anything at all. It's ridiculous.'

The economy is also now heavily dependent on the largesse of Venezuela's leftist President Hugo Chávez, who provides up to US\$2 billion in cheap oil per year in return for medical services—up to 20,000 Cuban doctors work in Venezuela—and a share in the Che Guevara legacy. Chinese investment, especially in natural resources, is also on the rise. This year up to 1,000 Chinese teenagers will come to Cuba to study Spanish as part of a bilateral program designed to foster closer relations between the two countries.

But the heavy reliance on Venezuela and China makes Cuba's economy as vulnerable as it was during the final days of the Soviet Union. Cuba's leaders panicked when Chávez was nearly ousted by a coup in 2001.

That Cuba's regime has survived endless economic mishaps is a miracle in itself. Explanations typically polarise along political lines. Anti-Castro forces in the United States argue that Cuba's government maintains power only by

repressing dissent. Others argue that US aggression, especially the cruel trade embargo, has rallied Cubans around the flag and provided a scapegoat for domestic policy shortcomings. Indeed, Fidel Castro's defiant revolutionary nationalism remains a source of pride to Cubans from all walks of life.

As 60-year-old taxi driver Paula passionately asserts, 'Don't underestimate Fidel just because he is sick. Even when he's sick, he has the capacity of 100 men.'

But even though Fidel has recently appeared on television to declare his good health and other leaders have suggested he might run again for President in 2008, Cubans recognise that their future will largely be determined by a younger generation of leaders.

While many Cubans hope for change, few are hoping with US foreign policy hawks for regime change. Without strong leadership, Cubans worry that their country would be vulnerable to heavy-handed US intervention. 'If our government collapses,' worries one high school teacher, 'the USA could help exiled Cubans return to reclaim their properties. That would be a disaster for our country.'

When Fidel's final hour comes, few analysts expect regime collapse à la Eastern Europe. Cuba's institutions enjoy much more public legitimacy than did their counterparts in Poland, Romania or East Germany. And Fidel has also groomed a generation of Communist Party leaders with strong administrative capabilities.

But when Fidel goes, so too will his legitimacy, charisma and unique ability to mobilise the masses. Without Cuba's commander-in-chief at the helm, it will be increasingly difficult for Cuba's Communist Party to paper over the growing gap between ideology and reality.

As was the case in China after Mao Zedong's death, the survival of Castro's revolutionary nationalism will depend not on his successors' rhetoric so much as the alacrity with which they apply themselves to Cuba's entrenched economic problems. Only then might Fidel become as victorious in death as he was in life.

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